

DEPARTMENT OF ENERGY

Proposed Appropriation Language

Departmental Administration

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed \$35,000), [\$218,747,000] \$245,788,000, to remain available until expended : Provided, That moneys received by the Department for miscellaneous revenues [estimated to total \$131,330,000] in fiscal year [1998] 1999 may be retained and [used] shall become available on October 1, 1999, to remain available until expended for operating expenses within this account, [and may remain available until expended,] as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of 31 U.S.C. 3302: [Provided further, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1998 so as to result in a final fiscal year 1998 appropriation from the General Fund estimated at not more than \$87,417,000.] (Energy and Water Development Appropriations Act, 1998.)

Explanation of Change

Language provides that the miscellaneous revenues received by this account and made available for use as of October 1, 1999 may be retained until expended.

**DEPARTMENT OF ENERGY
DEPARTMENTAL ADMINISTRATION APPROPRIATION
EXECUTIVE SUMMARY**

Support To Departmental Mission

The Departmental Administration Appropriation (DA) funds ten Department of Energy headquarters offices which provide guidance and support benefitting all operating elements of the Department in such areas as human resources, administration, accounting, budget, legal services, information management systems, life cycle asset management, workforce diversity, policy, congressional liaison, and public affairs. Their mission is to provide internal and external customers with timely, quality service which facilitates achievement of the Department's goals.

Reinventing Government:

This account has undergone radical changes during the last three fiscal years; realizing a 32% decline in federal employees from 1920 in FY 1995 to 1300 proposed in the FY 1999 budget. At the same time, the Department has implemented initiatives designed to streamline and provide essential products and services in a more efficient manner. One example of such an initiative is the effort to consolidate the Department's accounting operations reducing from nineteen centers scattered across the United States, to three centers of excellence, the largest of which is at DOE headquarters. Another example is our ongoing initiative to out source our payroll operation by June of 1998 and to consolidate our office space and reduce the number of separate buildings housing DOE headquarters personnel.

Vital functions performed: Despite these reductions the Department stands ready to provide essential services to its mission programs, as well as, to serve the Secretary of Energy and protect taxpayer interests. A highlight of the remaining functions indicates how essential these services are. Departmental managers strongly assert that further reductions to their organizations will impact these vital services. Residual efforts include:

Performing strategic planning and implementing management reforms including: Government Performance and Results Act; Galvin and Yergin task force recommendations.

Planning to maximize the value of Departmental assets and revenue from the sale of assets.

Cooperating with International Energy Consortiums and Interagency review of policies affecting Energy.

Facilitating communication between the Department and Congress, the Executive Office, State and Local Governments and the public.

Performing financial and accounting functions including producing audited financial statements.

Fulfilling the Department's budget mission in terms of timely formulation and oversight of program execution (overhead and uncoded balances)

Providing effective and timely legal services, counsel, and support to Departmental elements.

Representing the Department before Federal, State, and other Governmental Agencies and Courts.

Protect our Intellectual Property associated with patents, invention disclosures, and waiver requests.

Acting as an honest broker for the Secretary among competing programmatic elements.

Processing procurement and personnel actions.

Developing and maintaining Corporate Information Systems and Communication Technology.

Ensuring the success of the Working Capital Fund by supplying products and services throughout the Department.

Promoting diversity within the entire Department and throughout the program areas affected by our decisions (including economic impact).

A strong corporate vision helps set the proper priorities to ensure that a program which succeeds in its goals will not fail in its mission. These offices provide a strong internal mechanism to focus program efforts on corporate goals. This is the optimal method of fulfilling our obligations to those who rely on the mission of the Department of Energy.

Program Overview:

DOE programs funded in this appropriation are: Office of the Secretary, Policy, Chief Financial Officer, Human Resources and

Administration, Congressional, and Intergovernmental Affairs, Public Affairs, Field Management, General Counsel, Economic Impact and Diversity, and Board of Contract Appeals. Federal support functions include planning and national and international energy policy analysis, environmental policy, budget, accounting, legal, personnel, labor relations, staffing, organizational management, logistical services, printing, information management, contract management and reform, quality management, personal property management, scientific and technical training, congressional liaison, public and consumer outreach, economic impact and diversity, and contract dispute adjudication. Funding includes Departmental Administration employee travel and training, and contractual services such as support for DOE's overseas offices, budget and accounting systems, logistical services, automated data processing development and acquisition (non program specific), equipment maintenance, civil rights , each Departmental Administration sub-program's share of the working capital fund, and capital equipment. Also funds energy and environmental policy studies, public service announcements, newswire services, minority education/business/community support and assistance, and Department wide technical training development.

Cost of Work for Others

The budget provides for the cost of products and services provided by the field offices and national laboratories for non-DOE users. Work results from revenue programs related to the budgeted mission of DOE or is reimbursable work for state and local entities which are precluded by law from making advance payments. Costs are offset with revenues received from the sale of products or services.

Revenues

The revenues associated with the Cost of Work for Others program support the products and services described above. Miscellaneous revenues come from the sale of by-products that have no cost associated with the Departmental Administration appropriation, but offset the appropriation.

Budget Overview:

The total on-board head count projected for FY 1999 is 1,300 a 32 percent decrease from the FY 1995 baseline of 1,920 (includes the Office of the Secretary).

The FY 1999 request provides \$4.3 million for the Office of the Secretary and \$106.2 million for related salary and benefit expenses for 1,263 full-time equivalent employees. The request also includes \$ 3.1 million for travel funding, \$74.5 million for contractual support, and \$13.4 million for program support. Cost of Work for Others and Revenues are budgeted at \$44.3 million and \$136.5 million, respectively.

The net appropriation request is \$109.3 million compared to a FY 1998 Estimated Obligation amount of \$99.2 million.

The following discussion compares major expense items on a comparable, total obligational authority basis, to show the relationship between FY 1998 operating level and FY 1999 requirements.

**DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET REQUEST**

Obligational Authority (\$ millions)	<u>FY 1998 Obligations</u>	<u>FY 1999 Request</u>	<u>\$ Change</u>	<u>% Change</u>
Office of the Secretary	\$4.1	\$4.3	\$0.2	5%
General Management				
Personnel Comp and Benefits	104.0	106.2	2.2	2%
Other Expenses	76.6	77.6	1.0	1%
Program Support	11.2	13.4	2.2	20%
<u>ADMINISTRATIVE OPERATIONS:</u>	<u>\$195.9</u>	<u>\$201.5</u>	<u>\$5.6</u>	<u>3%</u>
Cost of Work for Others	34.6	44.3	9.7	28%
Revenues	-131.3	-136.5	-5.2	4%
Use of Prior Year Balances	-11.8	0.0	11.8	0%
Depart Admin, Net Appropriation (BA)	<u>\$87.4</u>	<u>\$109.3</u>	<u>\$21.9</u>	<u>25%</u>

Summary of Changes:

Administrative Operations increase by \$5.6 million is largely due to a cost of living and other base pay adjustments of \$4.0 million, increases for upgrades to the Department's information technology infrastructure of \$2.4 million, increases to the Corporate Management Information Program of \$2.0 million, and various other increases to contractual services of \$.6 million. These increases are offset by decreases due to the elimination of the buyout program and the \$80 per person VSIP charge of \$1.8 million and decreases in Working Capital Fund costs associated with efficiencies achieved such fewer telephone line and reduction in supplies of \$1.6 million.

Office of the Secretary - Increase due to a cost of living adjustment of 3.1 percent.

Personnel Comp and Benefits increase of \$2.2 million is due to FY 1999 cost of living and other base pay adjustments of \$4.0 million offset by decreases due to the elimination of the buyout program and the \$80 per person VSIP charge of \$1.8 million.

Other expenses - increases due to upgrades to the information technology infrastructure of \$2.4 million, and a \$.2 million increase in LAN support for the Office of General Counsel offset by decrease in the Working Capital Fund costs due to efficiencies achieved such as fewer telephones and supplies of \$1.6 million.

Program Support increase of \$2.2 million is due to increases in the Corporate Management Information Program of \$2.0 million and various other net increases of \$.2 million.

Work for Others increase of \$9.7 million primarily due to the receipt, management and storage of Foreign Reactor Spent fuel at Savannah River. Note: this particular increase is offset equally by the revenues the work will generate.

Revenues decrease is comprised of an increase of \$11.1 million in Cost of Work for Others revenues primarily due to spent fuel activities offset by \$5.9 equal decrease in miscellaneous revenues .

Trends:

Headquarters employment will continue to decline slightly as further strategic alignment initiatives come to fruition; however, the major savings have already been achieved. The FY 1999 budget continues to invest in new corporate automated systems, including a new financial management system, which will meet our needs into the twenty first century.

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
PERSONNEL COMPENSATION AND BENEFITS
(DOLLARS IN THOUSANDS)

Sub-Program	FY 1997 Actual <u>Obligations</u>	FY 1998 Original <u>Appropriation</u>	FY 1998 <u>Adjustments</u>	FY 1998 Estimated <u>Obligations</u>	FY 1999 <u>Request</u>
Human Resources & Administration	\$48,936	\$46,017	\$523	\$46,540	\$47,290
Chief Financial Officer	15,375	14,344	405	14,749	14,910
Field Management	4,947	4,297	281	4,578	4,743
Board of Contract Appeals	489	509	1	510	527
Congressional and Intergovernmental Affairs	6,430	5,749	681	6,430	4,212
Public Affairs	0	0	0	0	2,645
General Counsel	14,424	15,802	326	16,128	16,625
Office of Policy	12,605	11,423	0	11,423	11,463
Economic Impact & Diversity	3,789	3,554	106	3,660	3,795
Total, Obligations	\$106,995	\$101,695	\$2,323	\$104,018	\$106,210
Use of Prior Year Balances	513	0	-2,323	-2,323	0
Total, Budget Authority	\$107,508	\$101,695	\$0	\$101,695	\$106,210

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
TRAVEL
(DOLLARS IN THOUSANDS)

Sub-Program	FY 1997 Actual <u>Obligations</u>	FY 1998 Original <u>Appropriation</u>	FY 1998 <u>Adjustments</u>	FY 1998 Estimated <u>Obligations</u>	FY 1999 <u>Request</u>
Human Resources & Administration	\$1,280	\$1,652	\$0	\$1,652	\$1,750
Chief Financial Officer	140	176	\$0	176	176
Field Management	149	255	\$0	255	255
Board of Contract Appeals	3	6	\$0	6	6
Congressional and Intergovernmental Affairs	68	113	\$0	113	50
Public Affairs	0	0	\$0	0	70
General Counsel	75	128	\$11	139	100
Office of Policy	484	507	\$52	559	537
Economic Impact & Diversity	<u>118</u>	<u>86</u>	\$0	86	<u>116</u>
Total, Obligations	\$2,317	\$2,923	\$63	\$2,986	\$3,060
Use of Prior Year Balances	683	0			0
Total, Budget Authority	\$3,000	\$2,923	\$0	\$2,923	\$3,060

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
SUPPORT SERVICES
(DOLLARS IN THOUSANDS)

Sub-Program	<u>FY 1997 Actual Obligations</u>	<u>FY 1998 Original Appropriation</u>	<u>FY 1998 Adjustments</u>	<u>FY 1998 Estimated Obligations</u>	<u>FY 1999 Request</u>
Human Resources & Administration	\$24,910	\$23,507	\$3,529	\$27,036	\$29,461
Chief Financial Officer	3,720	3,555	0	3,555	3,402
Field Management	140	1,120	0	1,120	1,010
Board of Contract Appeals	0	0	0	0	0
Congressional and Intergovernmental Affairs	0	0	0	0	25
Public Affairs	0	0	0	0	125
General Counsel	250	236	0	236	496
Office of Policy	0	0	0	0	0
Economic Impact & Diversity	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>
Total, Obligations	\$29,020	\$28,418	3,529	\$31,947	\$34,519
Use of Prior Year Balances	0	0			0
Total, Budget Authority	\$29,020	\$28,418	\$0	\$28,418	\$34,519

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
OTHER RELATED SERVICES
(DOLLARS IN THOUSANDS)

Sub-Program	FY 1997 Actual <u>Obligations</u>	FY 1998 Original <u>Appropriation</u>	FY 1998 <u>Adjustments</u>	FY 1998 Estimated <u>Obligations</u>	FY 1999 <u>Request</u>
Human Resources & Administration	\$27,783	\$25,981	\$0	\$25,981	\$24,377
Chief Financial Officer	3,955	3,587	0	3,587	3,712
Field Management	1,733	2,282	0	2,282	1,918
Board of Contract Appeals	276	188	0	188	189
Congressional and Intergovernmental Affairs	1,938	1,798	0	1,798	824
Public Affairs	0	0	0	0	972
General Counsel	3,880	3,490	0	3,490	3,650
Office of Policy	3,522	3,620	0	3,620	3,449
Economic Impact & Diversity	842	713	0	713	908
Total, Obligations	\$43,929	\$41,659	\$0	\$41,659	\$39,999
Use of Prior Year Balances		0	0	0	0
Total, Budget Authority	\$41,579	\$41,659	\$0	\$41,659	\$39,999

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
PROGRAM SUPPORT
(DOLLARS IN THOUSANDS)

Sub-Program	<u>FY 1997 Actual Obligations</u>	<u>FY 1998 Original Appropriation</u>	<u>FY 1998 Adjustments</u>	<u>FY 1998 Estimated Obligations</u>	<u>FY 1999 Request</u>
Human Resources & Administration					
Scientific and Technical Training	\$500	\$500	\$0	\$500	\$500
Corporate Management Systems	0	<u>6,000</u>	0	<u>6,000</u>	<u>8,000</u>
Subtotal, Human Resources & Admin.	\$500	\$6,500	\$0	\$6,500	\$8,500
Congressional & Intergovernmental Affairs					
Public Affairs	27	50	50	100	0
Consumer Affairs	<u>8</u>	<u>40</u>	<u>33</u>	<u>73</u>	<u>19</u>
Subtotal, Congressional Affairs	\$35	\$90	\$83	\$173	\$19
Public Affairs					
Public Affairs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38</u>
Subtotal, Public Affairs	\$0	\$0	\$0	\$0	\$38
Office of Policy					
Policy Studies	500	500	122	622	500
Environmental Policy Studies	<u>2,500</u>	<u>1,750</u>	<u>186</u>	<u>1,936</u>	<u>2,500</u>
Subtotal, Office of Policy	\$3,000	\$2,250	\$308	\$2,558	\$3,000
Economic Impact & Diversity					
Minority Economic Impact	<u>1,359</u>	<u>1,650</u>	<u>299</u>	<u>1,949</u>	<u>1,880</u>
Subtotal, Economic Impact & Diversity	\$1,359	\$1,650	\$299	\$1,949	\$1,880
Total, Obligations	\$4,894	\$10,490	\$690	\$11,180	\$13,437
Use of Prior Year Balances	196	0	-690	-690	0
Total, Budget Authority	\$5,090	\$10,490	\$0	\$10,490	\$13,437

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
PROGRAM FUNDING PROFILE
(DOLLARS IN THOUSANDS)

Sub-Program	<u>FY 1997 Actual Obligations</u>	<u>FY 1998 Original Appropriation</u>	<u>FY 1998 Adjustments</u>	<u>FY 1998 Estimated Obligations</u>	<u>FY 1999 Request</u>
Office of the Secretary	\$2,447	\$4,123	\$0	\$4,123	\$4,251
Personnel Compensation and Benefits	106,995	101,695	2,323	104,018	106,210
Travel	2,317	2,923	63	2,986	3,060
Other Related Services	72,949	70,077	3,529	73,606	74,518
Program Support	4,894	10,490	690	11,180	13,437
Cost of Work for Others	<u>27,492</u>	<u>32,062</u>	<u>2,522</u>	<u>34,584</u>	<u>44,312</u>
Subtotal, Dept. Admin. (Gross)	\$217,094	\$221,370	\$9,127	\$230,497	\$245,788
Revenues					
Associated	-26,533	-35,514	0	-35,514	-46,614
Miscellaneous	<u>-58,464</u>	<u>-95,816</u>	<u>0</u>	<u>-95,816</u>	<u>-89,916</u>
Subtotal, Revenues	-\$84,997	-\$131,330	\$0	-\$131,330	-\$136,530
Subtotal, Dept. Admin. (Net)	\$132,097	\$90,040	\$9,127	\$99,167	\$109,258
Use of Prior Year Balances	-2,073	-2,623	-9,127	-11,750	0
Project Overrun Reserve	-4	0	0	0	0
Total, Dept. Admin.	\$130,020	\$87,417	\$0	\$87,417	\$109,258

DEPARTMENTAL ADMINISTRATION
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
ORGANIZATION FUNDING PROFILE
(DOLLARS IN THOUSANDS)

Sub-Program	FY 1997 Actual <u>Obligations</u>	FY 1998 Original <u>Appropriation</u>	FY 1998 <u>Adjustments</u>	FY 1998 Estimated <u>Obligations</u>	FY 1999 <u>Request</u>
Office of Secretary	\$2,447	\$4,123	\$0	\$4,123	\$4,251
Human Resources & Administration	103,409	103,657	4,052	107,709	111,378
Chief Financial Officer	23,190	21,662	405	22,067	22,200
Field Management	6,969	7,954	281	8,235	7,926
Board of Contract Appeals	768	703	1	704	722
Congressional and Intergovernmental Affairs	8,471	7,750	764	8,514	5,130
Public Affairs	0	0	0	0	3,850
General Counsel	18,629	19,656	337	19,993	20,871
Office of Policy	19,611	17,800	360	18,160	18,449
Economic Impact & Diversity	6,108	6,003	405	6,408	6,699
Cost of Work for Others	<u>27,492</u>	<u>32,062</u>	<u>2,522</u>	<u>34,584</u>	<u>44,312</u>
Subtotal, Dept. Admin. (Gross)	\$217,094	\$221,370	\$9,127	\$230,497	\$245,788
Revenues					
Associated	-26,533	-35,514	0	-35,514	-46,614
Miscellaneous	<u>-58,464</u>	<u>-95,816</u>	<u>0</u>	<u>-95,816</u>	<u>-89,916</u>
Subtotal, Revenues	-\$84,997	-\$131,330	\$0	-\$131,330	-\$136,530
Subtotal, Dept. Admin. (Net)	\$132,097	\$90,040	\$9,127	\$99,167	\$109,258
Use of Prior Year Balances	-2,073	-2,623	-9,127	-11,750	0
Project Overrun Reserve	-4	0	0	0	0
Total, Dept. Admin.	\$130,020	\$87,417	\$0	\$87,417	\$109,258

US Department of Energy
Departmental Administration
FY 1997 Through FY 1999 Manpower

	FY 1997 Actual FTEs	FY 1997 * SAI	FY 1997 * Actual Headcount	FY 1998 Projected FTEs	FY 1998 * SAI	FY 1998 * Projected Headcount	FY 1999 Request FTEs	FY 1999 * SAI	FY 1999 * Projected Headcount
Office of the Secretary 1_/	22	23	24	37	37	37	37	37	37
General Counsel	158	178	155	171	176	171	171	171	171
Congressional & Public Affairs	71	94	65	0	66	0	0	0	0
Congressional & International Affairs	0	0	0	39	0	39	39	39	39
Public Affairs	0	0	0	30	0	30	30	30	30
Board of Contract Appeals	5	6	5	5	5	5	5	5	5
Office of Policy	130	172	119	114	121	114	114	114	114
Economic Impact & Diversity	44	47	43	44	42	44	44	44	44
Chief Financial Officer	215	250	208	209	205	209	209	209	209
Human Resources & Administration	662	758	629	606	635	606	606	606	606
Field Management	<u>51</u>	<u>66</u>	<u>47</u>	<u>45</u>	<u>47</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>
Subtotal, Dept. Administration	<u>1,336</u>	<u>1,571</u>	<u>1,271</u>	<u>1,263</u>	<u>1,297</u>	<u>1,263</u>	<u>1,263</u>	<u>1,263</u>	<u>1,263</u>
Grand Total, Dept. Administration	1,358	1,594	1,295	1,300	1,334	1,300	1,300	1,300	1,300

* This reflects End Of Year Headcount

1_/ Includes all Office of The Secretary of Energy personnel (including detailees from other programs starting in FY 1998).

**U.S. DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative in whole dollars)**

OFFICE OF THE SECRETARY

PROGRAM MISSION

The Office of the Secretary sets the overall policy direction and tone for the Department of Energy in fulfilling its mission to foster a secure and reliable energy system that is environmentally and economically sustainable, to be a responsible steward of the Nation's nuclear weapons, to clean up our own facilities, and to support continued United States leadership in science and technology.

The GOALS of the Office of the Secretary are to:

Provide leadership to ensure the coordination of the Department of Energy's efforts through:

- Energy Resources to promote secure, competitive, and environmentally responsible energy systems that serve the needs of the public.
- National Security to maintain the nation's security, promote international nuclear safety, and reduce the global danger from weapons of mass destruction.
- Environmental Quality to clean up the environmental legacy of nuclear weapons and civilian nuclear research and development programs, minimize future waste generation, safely manage nuclear materials and permanently dispose of the Nation's radioactive wastes.
- Science and Technology to deliver the scientific understanding and technological innovations that are critical to the success of DOE's mission and the Nation's science base.
- Corporate Management to demonstrate organizational excellence in the Department's environment, safety and health practices, communication and trust efforts, and corporate management systems and approaches.

The OBJECTIVES related to the above goals are to:

- Assure adequate supplies of clean energy, reduce U.S. vulnerability to supply disruptions, encourage efficiency, advance alternative and renewable energy technologies, and increase energy choices for all consumers.
- Effectively support and maintain a safe, secure, and reliable enduring stockpile without nuclear testing, safely dismantle and dispose of excess nuclear weapons, provide technical leadership for national and global nonproliferation and nuclear safety activities, and develop and support nuclear reactor plants for naval propulsion.

- Protect public health and the environment by understanding and reducing the environmental, safety, and health risks and threats from DOE facilities and materials, safely and permanently dispose of civilian spent nuclear fuel and defense related radioactive waste, and develop the technologies and institutions required for solving domestic and international environmental problems.
- Utilize the unique scientific and technological resources of our laboratories and universities to maintain leadership in basic research and to advance scientific knowledge, focus applied research and technology development in support of the Department's other business lines, contribute to the Nation's science and mathematics education, and deliver relevant scientific and technical information.
- Demonstrate organizational excellence in our environment, safety and health practices, and build communication and trust by delivering on our commitments to Congress, the Administration, stakeholders and customers.
- Provide a safe and rewarding workplace that is recognized for business excellence, and managerial and scientific creativity.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

OFFICE OF THE SECRETARY

I. Mission Supporting Goals and Objectives:

The Office of the Secretary provides leadership and guidance to the Department's programs which contribute to the Nation by providing technical information and a scientific and educational foundation to achieve efficiency in energy use, diversity in energy sources, a more productive and competitive economy, improved environmental quality, and a secure national defense.

Program Direction has been grouped into four **categories**:

Salary and Benefits provide funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, other performance awards, and payments to funds for the benefit of employees.

Travel provides funding for the Secretary, Deputy Secretary, Under Secretary, special assistants, and security detail to travel both internationally and domestically in support of the Department's missions.

No Support Services.

Other Related Expense provides funding for employee training and development.

II. Funding Table:

	FY 1997 ¹ Actual Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Budget Request
Salary and Benefits	\$ 2,249	\$ 3,717	\$ 0	\$ 3,717	\$ 3,845
Travel	195	400	0	400	400
Support Services	0	0	0	0	0
Other Related Expenses	3	6	0	6	6
Subtotal, Program Direction	\$ 2,447	\$ 4,123	\$ 0	\$ 4,123	\$ 4,251
Adjustment, Use of Prior Year Balances	-447	---	---	---	---
Total Budget Authority	\$ 2,000	\$ 4,123	\$ 0	\$ 4,123	\$ 4,251
FTEs	22 ¹	37		37	37

III. Performance Summary:

FY 1997 Measurable Performance Activities:

- o Exceed FY 1997 SAI savings target of \$304 million by \$245 million.

¹ FY 1997 House Energy and Water Development (EWD) Appropriations Committee's Report Language stated that the FY 1998 Department of Energy's budget should include all employees working in the Office of the Secretary, Deputy Secretary and Under Secretary, including those detailed from other organizations in the Department, and that these personnel should be funded from the Secretary's budget. The Department's FY 1998 Revised Budget Request requested an increase of \$1,623,000 and 15 FTEs in the Office of the Secretary, needed to consolidate the former detailees, which was authorized in the FY 1998 Energy and Water Development Conference Report.

- o Reduced organizational duplication/layering and streamlined Departmental operations. Achieved FY 1997 year end on board employment level of 11,168, 335 personnel below the Department's target of 11,503.
- o Implemented a Departmental Welfare to Work Plan in support of the Administration's initiative to serve as a model to the private sector by employing welfare recipients.
- o Exceeded the Department's goal for Supervisory to Employee ratio by 24%, reducing the number of DOE supervisors to 1,526.
- o Improved contractor performance and accountability; made continual improvements to the Department's contracting practices through increased competition, use of performance-based contracts, greater contractor financial accountability, and use of new contracting strategies such as privatization where appropriate.
- o Continued improvements to the business management oversight to assure that the previously achieved reductions in the number of reviews adequately support management information needs. Developed a corporate policy that streamlines line management environment, safety and health oversight.
- o Reduced Federal Regulations through the elimination of unnecessary prescriptive requirements, nonessential processes, reports, forms and directives.

FY 1998 and FY 1999 Measurable Performance Activities:

- o Ensure the safety and health of the DOE workforce and members of the public, and the protection of the environment in all Departmental activities.
- o Continue to work with customers and stakeholders in an open, frank and constructive manner.
- o Utilize efficient and effective corporate management systems and approaches to guide decisionmaking, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.
- o Continue oversight of the Department's Strategic Alignment Initiative.
- o Continue to use workforce management tools such as attrition, outplacement efforts, managed hiring, and involuntary separations to achieve a staffing target of not more than 10,874 by October 1998 and 10,613 by the end of FY 1999.

- o Continue hiring welfare to work recipients to achieve Presidential goal of 55.
- o Continue efforts initiated in FY 1995 to lessen the burden of the Department's regulations.
- o Continue to improve contract reform and performance measurements to increase accountability in all our activities.

IV. Explanation of Funding Changes FY 1998 Revised to FY 1999:

Salaries and Benefits increase by \$128,000 for allowable compensation inflation, payraise and locality increase.

Travel and Other Related Expenses do not change.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
HUMAN RESOURCES AND ADMINISTRATION
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative in whole dollars)

I. Mission Supporting Goals/Ongoing Responsibilities:

This budget submission covers the Office of Human Resources and Administration and the Secretary of Energy Advisory Board.

The Office of Human Resources and Administration works in partnership with our customers to support the Department of Energy by providing effective corporate management systems and business practices while enhancing the effectiveness and well-being of our employees. We will provide best value, high quality, and timely products and services in the areas of administrative services, human resources and training, information management, corporate quality management, procurement assistance, and executive secretariat support.

The Office of the Secretary of Energy Advisory Board administers and coordinates the activities of the Secretary of Energy Advisory Board (SEAB), an external advisory board chartered under the Federal Advisory Committee Act of 1972 (Public Law 92-436). The Board and its subcommittees provide the Secretary of Energy with essential independent external advice on issues of national importance related to the missions of the Department of Energy. In FY 1997 four subcommittees reported recommendations to the Board and, in turn, the Secretary: (1) Task Force on the Nonproliferation and Arms Control Implications of Fissile Materials Disposition Alternatives (completed); (2) Openness Advisory Panel (ongoing); (3) External Members of the Laboratory Operations Board (ongoing); and (4) Task Force on Electric System Reliability (ongoing).

Program Direction has been grouped into four categories:

Salary and Benefits provide for funding for full-time permanent and other than full-time permanent employees in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees workers' compensation.

Travel funds finance staff travel, Secretary of Energy Advisory Board and subcommittee travel, quality management field interface, travel associated with scheduling and logistics for Secretarial trips, and travel associated with permanent change of station. Also included are DOE shuttle bus service, rental of vehicles from the GSA motor pool, lease of DOE fleet, and charter of aircraft or buses.

Support Services finance technical support services and management support services.

Other related expenses finance the acquisition of goods and services that support this office's mission that are not considered support services, in addition to items purchased from the working capital fund such as rent, supplies, telephone service, etc.

II. Funding Schedule

	FY 1997 Actual <u>Obligations</u>	FY 1998 Original Appropriation	FY1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Request
Salary and Benefits	\$48,936	\$46,017	\$523	\$46,540	\$47,290
Travel	1,280	1,652	0	1,652	1,750
Support Services	24,910	23,507	3,529	27,036	29,461
Other Related Expenses	<u>27,783</u>	<u>25,981</u>	<u>0</u>	<u>25,981</u>	<u>24,377</u>
Total, Program Direction	<u>\$102,909</u>	<u>\$97,157</u>	<u>\$4,052</u>	<u>\$101,209</u>	<u>\$102,878</u>
Scientific & Technical Training	\$500	\$500	\$0	\$500	\$500
Corporate Mgmt Information	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>	<u>8,000</u>
Total, Program Support	<u>\$500</u>	<u>\$6,500</u>	<u>\$0</u>	<u>\$6,500</u>	<u>\$8,500</u>
Total, Obligations	<u>\$103,409</u>	<u>\$103,657</u>	<u>\$4,052</u>	<u>\$107,709</u>	<u>\$111,378</u>
Use of Prior Year Balances	<u>793</u>	<u>0</u>	<u>(4,052)</u>	<u>(4,052)</u>	<u>0</u>
Total, Budget Authority	<u>\$104,202</u>	<u>\$103,657</u>	<u>\$0</u>	<u>\$103,657</u>	<u>\$111,378</u>
FTEs	662	606		606	606

III. Performance Summary - Accomplishments:

Performance measures for Human Resources and Administration and for the Secretary of Energy Advisory Board are linked to the Department of Energy Strategic Plan, to the performance plan called for by the Government Performance Results Act (GPRA), and to the Secretary's annual performance agreements with the President. The matrix below displays these performance measures by the organization responsible.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.	Achieved an end of year on board employment level of 11,168; 335 below the 11,503 SAI target.	Implement staffing reduction to achieve Departmental SAI target of 10,874 by the end of FY 1998.	Implement staffing reduction to achieve Departmental SAI target of 10,613 by the end of FY 1999.
	Met goal to Implement the Department's Strategic Alignment Initiative on the Corporate Approach to Training by designating two pilot corporate training centers of excellence.	Improve workforce skills and reduce training costs by establishing two training centers of excellence.	Improve workforce skills and reduce training costs by establishing two additional training centers of excellence.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.		Support the hiring of 55 welfare to work recipients by the end of FY 2000. The FY1998 goal is 20 hires.	Support the hiring of 55 welfare to work recipients by the end of FY 2000. The FY1999 goal is an additional 15 hires.
		Implement a DOE- wide employee accessible automated personnel system by December 1998.	Implement a DOE- wide employee accessible automated personnel system by December 1998.
		Reengineer at least one Personnel/Training process in FY 1998 to improve efficiency and reduce cycle time.	Reengineer at least one additional Personnel/ Training process in FY 1999 to improve efficiency and reduce cycle time.
	Reduced the number of supervisors by 489 to an end year total of 1,526. and the number of employees in senior level positions by 320 to 5,259. This exceeded the goal to reduce the number by 202.		

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Ensure the safety and health of the DOE workforce and members of the public, and the protection of the environment in all Departmental activities.	Exceeded the goal of 55% of the covered employees to meet or exceed technical qualification standards by November 1997. 67% met or exceeded the standards by June 1997.	Meet or exceed applicable training Technical Qualifications Standards by 75% or more of covered employees by October 1, 1998.	Meet annual DOE Technical Qualification Program goals for personnel whose responsibilities impact safety at current and former defense nuclear sites.
Improve utilization of Headquarters space by reducing the number of facilities from 16 to 4 by the end of FY 2000.	Met the goal to consolidate Headquarters personnel into eight locations the end of FY 1997 and achieve savings in rent.	Consolidate Headquarters personnel into six locations by the end of FY 1998 and achieve a savings in rent..	Consolidate Headquarters personnel into five locations by the end of FY 1999 and achieve a savings in rent.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.		Establish, by October 1997, the Capital Planning Information Technology Investment Board and operationalize requirements of Clinger/Cohen Act of 1996.	Report to the Executive Committee for Information Management, by September 1999, whether the investments in the DOE Capital Planning Information Technology Investment portfolio are delivering their planned benefits.
	Met the goal to develop Information Management Strategic Plan. The Plan was published in September, 1997.	Starting in FY 1998, implement a five-year information management plan and produce annual operational plans as part of the Department's budget process.	Implement a second year operational plan aligned with the Departmental information management budget request that includes actions for accomplishing the FY 1997 DOE Information Management strategic plan.
		Provide the necessary infrastructure to allow staff capability of accessing and sharing information easily and seamlessly across DOE complex as measured by the completion of the baseline of interoperability standards.	Continue to improve infrastructure to allow staff capability of accessing and sharing information easily and seamlessly across DOE complex.
External Performance Measures/Accomplishments			

LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.		Implement, by January 1998, a Department-wide information architecture with supporting standards to foster \$100 million in cost avoidances over the next 5 years.	Continuously evolve the Department-wide information architecture with supporting standards to foster \$100 million in cost avoidances by FY 2003.
	Exceeded the goal to save \$31 million by reengineering information management business processes yielding customer service improvements and savings through improved communication infrastructure and core corporate systems, consolidation of IM contracts and operations/services, and reduction in redundancy. Savings for FY 1997 totaled \$67 million.	Save \$61M by reengineering information management business processes.	Save \$65M by reengineering information management business processes yielding customer service improvements.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.	Met the goal to identify Departmental mission-essential information systems and ensure that they all have year 2000-compliant implementation plans by the middle of FY 1997.	Department elements will implement Year 2000 century date change compliant mission-essential computer systems in accordance with the milestones, guidance, and procedures established by the Chief Information Officer.	Department elements will validate Year 2000 century date change compliant mission-essential computer systems in accordance with the milestones, guidance, and procedures established by the Chief Information Officer.
	Met the goal to increase the number of DOE organizations that rely on the Paperless Directives System to 50%, thereby reducing printing and distribution costs.	Increase the number of DOE organizations that rely on the Paperless Directives System to 80%.	Provide enhancements to EXPLORER (such as automated review and comment, and linkage to regulations and technical standards). Increase the number of DOE organizations that rely on the Paperless Directives System to 95%.
As a good neighbor and public partner, continually work with customers and stakeholders in an open, frank, and constructive manner.		Annually improve the quality and volume of information on DOE's World Wide Web site and demonstrate user-interest through higher numbers of home page visits each year.	Annually improve the quality and volume of information on DOE's World Wide Web site and demonstrate user-interest through higher numbers of home page visits each year.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.		Convert management and operating contracts to performance-based management contracts (performance objects and measures) as they are extended or competed, and award 50 percent of support services contracts as performance based by the end of FY 2000.	Continue conversion of existing management and operating contracts to performance-based management contracts (performance objects and measures) as they are extended or competed, and award 50 percent of support services contracts as performance based by the end of FY 2000.
	Met the goal to reduce cycle time by 30 percent by the end of FY 1997, by applying business process reengineering to major acquisitions, interagency agreements, and payment processing.	Apply business process reengineering to key contract formation processes and reduce lead time by 33 percent from 1994 level.	
		Improve Federal procurement and property management employee skills by establishing a contracting workforce development program by September, 1998.	

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.		Implement an automated system to track and measure contractor performance by September, 1998.	
	Reduce Support Services by \$450 million over 5 years (FY 1996 - FY 2000). Reduced Support Services by \$247 million in FY 1997.	Maintain Support Service contract obligations at or below \$610 million during FY 1998.	Maintain Support Service contract obligations at or below \$610 million during FY 1999.
		Conduct a comprehensive review of Department of Energy Acquisition Regulations for management and operating contracts and assess those requirements against the Federal Acquisition Regulations.	Modify Department of Energy Acquisition Regulations to comport with the results of the review.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.	Met the goal to conduct pilot of DOCS, an image-based executive correspondence management system. Met the goal to measure customer satisfaction and establish customer services standards for correspondence management in 1997.	Implement DOCS in the Executive Secretariat and one-stop in all program offices. Baseline and improve executive document management cycle-time and respond to customer feedback. Reduce document cycle-time by 5% and improve customer satisfaction rate for executive document management by 5%.	Implement DOCS to two or more levels in several program offices. Continue to monitor executive document management cycle-time, reduce cycle-time by 5% and improve customer satisfaction rate for executive document management by 5%.
	Met the goal for 75% of DOECAS messages to concern diversity, employee interest or self-development. Expanded DOECAS capabilities to reach 87,300 Federal and contractor employees in FY 1997. The goal was to reach 90,000 employees.	Continue and improve use of DOECAS for Secretary of Energy communication to employees and improve customer satisfaction by 5% based on HR customer survey.	Promote DOECAS appropriate use and cost benefits and improve customer satisfaction by 5% based on HR customer survey.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
As a good neighbor and public partner, continually work with customers and stakeholders in an open, frank, and constructive manner.	Met goal to publish amended FOIA regulations and Notice of obsolete Privacy Act records systems. Reduced backlog of pending 1995 FOIA requests by 70%. The goal was to eliminate this backlog. Reduced the backlog of pending 1996 requests by 70%, exceeding the goal of 50%. Added two program offices to the centralized requests processing project in November, 1997, thus meeting this goal.	Implement Electronic FOIA (EFOIA) requirements including on-line access to reading room material and records frequently requested under FOIA. Publish Privacy Act system notice compilation and amend FOIA regulations to include EFOIA requirements. Add two program offices to the centralized requests processing project. Reduce backlog of pending requests by 15% and average case age by 25%.	Full implementation of EFOIA. Reduce backlog of pending requests by 15% and average case age by 25%.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services, and evaluate performance.		Using the Malcolm Baldrige, President's, or Energy Quality Award Criteria, demonstrate continuous organizational improvement by achieving self-assessment scores of at least 300 in FY 1998 and higher scores in subsequent years.	Using the Malcolm Baldrige, President's, or Energy Quality Award Criteria, demonstrate continuous organizational improvement by achieving positive trends in organizational scores.
	Improve the leadership skills of the Department's workforce ...by providing <i>Leaders for a Customer-Driven Organization</i> to at least 60 percent of the Department's managers in FY 1997.	Improve the leadership skills of the Department's workforce by providing <i>Leaders for a Customer-Driven Organization</i> to at least 55 percent of the Department's managers by September 1998.	Improve the leadership skills of the Department's workforce by providing <i>Leaders for a Customer-Driven Organization</i> to at least 60 percent of the Department's managers by September 1999.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
SECRETARY OF ENERGY ADVISORY BOARD			
Reducing nuclear weapons stockpiles and the proliferation threat caused by the possible diversion of nuclear materials	Met FY1997 goals. The Task Force on Non-proliferation and Arms Control Implications of Fissile Materials was formed to advise the SEAB on the technical & policy implications of the DOE Materials Disposition Programmatic Environmental Impact Statement. The final report was used in formulating the Department's decision on the storage and disposition of nuclear weapons materials. Completed in FY 1997		

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Improving the management of the laboratories to enhance the delivery of leading-edge science and technology at reduced costs.	<p>The External Members of the Laboratory Operations Board submitted two reports in FY 1997 and made progress in the following areas: Continued to use productivity metrics to measure laboratory efficiencies gained from implementing the recommendations of the Galvin Report (FY 1995). In response to the Secretary, prepared an analysis of the Institute for Defense Analyses study of the relationship among headquarters, field, and laboratory operations offices. Initiated a study of the use of Peer Review as a way of ensuring excellence in R&D.</p>	<p>Continue to assess ways of improving R&D management, reducing R&D management costs, and reducing R&D overhead costs by: Completing a study of the missions and effectiveness of the Department's small laboratories & reporting to SEAB; Completing a study of peer review as a means of ensuring excellence in R&D & reporting to SEAB; Updating and analyzing information on laboratory productivity metrics & reporting to SEAB Supporting the Department's "road map" planning efforts involving program offices & laboratories.</p>	<p>Continue to assess ways of improving R&D management, reducing R&D management costs, and reducing R&D overhead costs.</p>

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
As a good neighbor and public partner, continually work with customers and stakeholders in an open, frank, and constructive manner.	Met FY 97 goals. The Openness Advisory Panel (OAP) was formed in FY 1996 to advise SEAB on the status & strategic direction of DOE's classification & declassification policies and its Openness Initiative. The OAP provided interim guidance and recommendations to the SEAB in its report <i>Responsible Openness: An Imperative for the Department of Energy</i> , dated August 25, 1997.	Continue to address classification/declassification policy and openness issues by reporting to SEAB on: Assessing document imaging technology to expedite document declassifications; Assessing the use of technology to address key records management issues impacting openness; Assessing the Department's implementation of the Fundamental Classification Policy Review. Reviewing site-accessibility issues.	Continue to oversee the implementation of openness & classification/declassification policies and procedures.

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Ensure that a competitive electricity generation industry is in place that can deliver adequate and affordable supplies with reduced environmental impact.	Met FY 1997 goals. The Electric System Reliability Task Force was formed in FY 1997 to advise SEAB on critical institutional, technical, and policy issues which need to be addressed to ensure electric system reliability in a more competitive industry. The task force completed its first interim report in FY 1997 which provided key policy and jurisdictional recommendations which were incorporated into the Administration's legislative initiative on electricity restructuring.	Continue to address institutional, technical, and policy issues and contribute to electric system restructuring legislation by developing letter reports on: Technical issues in transmission system reliability; Interrelationships between industry, state, and Federal reliability organizations; Reliability enforcement authorities; Adequacy of generation and support services; Financial incentives for reliability. To be completed in FY 1998.	

External Performance Measures/Accomplishments			
LINKED TO:	FY 1997	FY 1998	FY 1999
Ensure that a competitive electricity generation industry is in place that can deliver adequate and affordable supplies with reduced environmental impact.		The Tennessee Valley Electric System Advisory Committee will address the following major topics regarding the Tennessee Valley Authority in their final report: Regulation & Jurisdiction; Mission; Competition. To be completed in FY 1998.	
Ensure the vitality of DOE's national security enterprise by ensuring sufficient scientific and technical personnel.		The Task Force on Education was formed in FY 1998 to advise SEAB on ways to make the Department's scientific, technical and supercomputing capabilities more available to our Nation's schools, colleges and universities, and to provide recommendations on how the Department can best enhance science, technology, engineering and mathematics education in the United States.	Complete the task force final report and submit final recommendations to the SEAB. To be completed in FY 1999.

IV. Explanation of Funding Changes From FY 1998 to FY 1999:

- The increase of \$750,000 in personnel compensation and benefits reflects increases due to a cost of living adjustments and base pay adjustments (\$1,683,000). This increase is offset by decreases due to elimination of costs associated with a buyout program and an \$80 per person VSIP charge (\$933,000).
- Travel requirements increase to the FY 1997 enacted appropriation level.
- Support services increase by \$2,425,000. This increase reflects an increase of \$5,954,000 which complements the Corporate Management Information Program by providing for upgrades and improvements to the Department's outdated information technology infrastructure. This will permit the Department to make physical improvements in telecommunications (both telephone and Local Area Network) infrastructure; provide for expanded connectivity/interoperability throughout the DOE complex; fully implement the Strategic Information Management program; and implement information architecture standards. All of these improvements create the necessary platforms to permit the Department to take full and immediate advantage of the new corporate systems coming on-line and other technology improvements resulting from the Corporate Management Information Program. In addition to the \$5,954,000, \$3,529,000 is being spent in FY 1998 with prior year balances in support services for similar efforts.
- Other related expenses decreases to reflect lower payments to the Working Capital Fund based on efficiencies achieved such as fewer telephone lines and reductions in supply use, and some decreases in capital equipment and other contracting requirements.

Support Services	FY1997 Current (\$000)	FY 1998 Current (\$000)	FY 1999 Request (\$000)	Change (\$000)	Change (%)
Training/Curriculum Development	\$1,133	\$1,133	\$1,133	\$0	0%
Information Management Support	\$18,147	\$20,273	\$22,698	\$2,425	12%
Other Administrative Support	\$5,630	\$5,630	\$5,630	\$0	0%
Total Obligational Authority	\$24,910	\$27,036	\$29,461	\$2,425	9%

Other Related Expenses	FY1997 Current (\$000)	FY 1998 Current (\$000)	FY 1999 Request (\$000)	FY Change (\$000)	Change (%)
Working Capital Fund	\$22,295	\$22,353	\$20,000	\$-2,353	-11%
Capital Equipment	\$1,430	\$1,430	\$940	\$-490	-34%
Other	\$4,058	\$2,198	\$3,437	\$1,239	56%
Total Obligational Authority	\$27,783	\$25,981	\$24,377	\$-1,604	-6%

V. Program Support:

	FY 1997 Current <u>Appropriation</u>	FY 1998 Current <u>Appropriation</u>	FY 1999 <u>Request</u>
Scientific and Technical Training	\$500	\$500	\$500
Corporate Mgmt Information	<u>0</u>	<u>6,000</u>	<u>8,000</u>
Total Program Support	\$500	\$6,500	\$8,500

Program Support includes funding for the Scientific and Technical Training Program and the Corporate Management Information Program.

The Scientific and Technical Training Program provides DOE-wide technical curriculum development, training standards and guidelines, and advanced learning technologies, such as, automated course catalogues, video and computer training methods, and distance learning. Includes funding for coordination and assessment of the implementation of Defense Nuclear Facilities Safety Board training, education, and development recommendations.

The Corporate Management Information Program is an initiative begun in FY 1998 supporting National Performance Review objectives and the requirements of this Department's Strategic Alignment Initiative by maximizing our investment in streamlined information and financial systems through the cooperative development of an automated, technology-based systems approach. Funding is provided for a Corporate Human Resource Information System to support activities such as position management, processing personnel actions, and applicant/employee tracking of awards and benefits through a user-friendly, automated information technology system. In addition, these funds will be used to update and replace a number of independent, antiquated financial systems with compatible, user-friendly business systems that will provide real-time management and financial data on a DOE complex-wide basis. Finally, these funds will support activities for a Department-wide information technology and system planning effort that is required under the Information Technology Management Reform Act.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION APPROPRIATION
(Tabular dollars in thousands, Narrative in whole dollars)

OFFICE OF CHIEF FINANCIAL OFFICER

I. Mission Supporting Goals/Ongoing Responsibilities:

Mission Statement: The mission of the Department of Energy's financial management community is to administer the Department's financial operations and to ensure their integrity.

The Office of Chief Financial Officer (CFO) provides centralized direction and oversight of the full range of financial activities including: responsibility for the Department's budget formulation, presentation and execution; Department-wide oversight of the requirements of the Federal Managers Financial Integrity Act (FMFIA); Departmental accounting and financial policies, procedures and directives; operation and maintenance of the Department's payroll system and financial information system/Standard General Ledger; and, performance of financial management functions (accounting, cash management, and reporting). In addition to these Department-wide responsibilities for Headquarters offices, the CFO performs selected financial management functions for field locations; provides oversight of financial operations for the Naval Petroleum Reserves in California and Wyoming; and acts as an Accounting Service Center for six DOE offices. The CFO is also responsible for financial performance based oversight activities within the Department. In all, this office supports the financial needs of a \$17 billion enterprise with 17,145 federal employees and 108,000 contractor employees.

The Department is participating in government-wide efforts to improve financial management. Considerable legislative and administrative provisions have stressed the need for change. At the forefront of these legislative endeavors was the Chief Financial Officers Act of 1990. In addition, the Government Performance and Results Act of 1993 (GPRA), the Government Management Reform Act of 1994 (GMRA), and the Federal Financial Management Improvement Act of 1996 (FFMIA) were all follow-on legislation requiring financial management improvements and calling for performance measurement systems, greater accountability, and enhanced financial control of government operations. Federal Agency CFOs have formed the CFO Council which has articulated the government-wide CFO vision for financial management. The Department is at the forefront of government agencies in accomplishing the goals of Congress and the Administration.

This office has absorbed a 27% reduction in personnel since FY 1995 while assuming increased responsibilities. Downsizing and

reengineering initiatives coupled with the application of quality principles are refocusing our thinking from a mind set of more controls to one of eliminating unnecessary processes, streamlining activities, instituting performance measurement oversight, and continuing to place customer service high on our list of priorities. Our efforts include: reengineering payroll, which may include outsourcing in FY 1999, consolidating accounting operations from 19 centers to 3 regional accounting centers, and moving to “paperless” financial transactions including automated travel management.

The **CFO Strategic Plan** presents a vision of the Department of Energy as a leader in the field of financial management, ranked among the best in government and industry and committed to enhancing its quality. The financial management community needs to be an integral part of the Department’s decision making process. Our Strategic Plan is an attempt to develop a long-term perspective that aligns the financial management program with the Department’s program missions as partners in a constantly changing environment. To make this vision a reality, the CFO is focusing on five major thrust areas: **Financial Stewardship, Full Partnership, Customer Orientation, Human Resource Management, and Technology/Information Architecture.** CFO Strategic Plan supports the Department's strategic goals as promulgated in the Department's Mission Statement and Strategic Plan. The Core Values of the Department are reflected in our goals and objectives. Sound financial management is essential to accomplishing the Department's goals.

Critical Items/Success Factors:

- **Prepare and submit financial statements with an unqualified opinion to OMB by March of the following Fiscal Year**
- **Control uncosted balances, construction project balances, and functional support costs**
- **Consolidate accounting centers and reengineer payroll function**
- **Develop an Executive Information System**
- **Transition from compliance based oversight to performance based oversight**

In order to support the Secretary’s Strategic Goals the CFO has identified critical items or factors which ensure success. In addition, the CFO is implementing efforts in support of GPRA and GMRA, developing an Executive Information System (EIS) and a Financial Data Warehouse (FDW) to collect, analyze, and present information in a meaningful format, modernizing our payment and business methods through electronic financial transactions, and upgrading our accounting and reporting systems.

Funds not requested in this budget: Funding for the next generation Financial Management Information System (FMIS), which includes the Corporate EIS and FDW, are sought as part of the Corporate Management Information Program in the Human Resources, Chief Information Officer, program support request in the Departmental Administration budget request. This activity will be performed under the direction of CFO systems managers. The EIS and FDW will provide an effective means of capturing and integrating data and making business information available to executives, managers, and staff to support the decision making process and achieve the goals put forward in GPRA. A major initiative will be started in FY 1998 to develop, acquire, and implement a contemporary comprehensive Financial Management Information System (FMIS) for implementation after FY 2000 to replace the Departmental Primary Accounting System. The FY 1999 request is \$2.3 million compared to \$1.1 million in FY 1998. These funds are not part of this justification but are managed by the CFO and critical to financial management at the Department.

Program Direction has been grouped into four categories:

Salary and Benefits provide for funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees, workman's compensation, and buy out compensation.

Travel funds finance staff travel for Department-wide and CFO activities including travel associated with the Department's initiatives for accounting consolidation and payroll outsourcing.

Support Services finance technical support services and management support services.

Other Related Expenses finance the acquisition of goods and services that support this office's mission that are not considered support services, in addition to items purchased from the working capital fund, for example, rent, supplies, telephone service, etc.

II. Funding Table:**CHIEF FINANCIAL OFFICER
(\$ Thousands)**

	<u>FY 1997 Actual Obligations</u>	<u>FY 1998 Original Appropriation</u>	<u>FY 1998 Adjustments</u>	<u>FY 1998 Estimated Obligations</u>	<u>FY 1999 Budget Request</u>
Salary and Benefits	\$15,375	\$14,344	\$405	\$14,749	\$14,910
Travel	140	176	0	176	176
Support Services	3,720	3,555	0	3,555	3,402
Other Related Exp	3,955	3,587	0	3,587	3,712
Total, Obligations	23,190	21,662	405	22,067	22,200
Use of Prior Year Balances	-1,835	0	-405	-405	0
Total Budget Authority	\$21,355	\$21,662	\$0	\$21,662	\$22,200
Full Time Equivalent	215	209	0	209	209

FY 1999 Funding Summary

The Office of Chief Financial Officer's FY 1999 program request, \$22.2 million increases by \$0.1 million above the FY 1998 program request. The pay raise (+\$0.4 million) is offset by savings related to ending the buyout program (-\$0.3 million). The FY 1999 request provides funding for 209 full-time equivalent (FTE) positions. FY 1999 manpower targets reflect a 27% reduction since FY 1995 while accommodating a major increase in the workload by becoming one of three centers of excellence accounting centers. The CFO has approached downsizing with the goal of retaining our ability to provide essential functions to the Department in order to ensure the Department's core mission accomplishments. The increase of \$0.4 million in budget authority in FY 1999 relates to the allocation of prior year balances to finance FY 1998 activity.

III. Explanation of Funding Changes FY 1998 to FY 1999

●**Personnel compensation and benefits:** The increase of \$161 thousand in personnel compensations and benefits reflects savings of \$279 thousand related to avoiding buyout costs offset by a \$440 thousand increase due to FY 1998 and FY 1999 pay raises.

●**Support Services** funding reflects management and technical support activities. The funding for these activities is \$3,402 K in FY 1999 a decline of \$153 thousand from FY 1998 funding level. This decline is related to the transition from funding development of legacy financial systems to funding Local Area Network (LAN) and Wide Area Network (WAN) activities. (See table Below)

	FY 1997	FY 1998	FY 1999	FY 1998/FY 1999
	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>	<u>Change</u>
<u>CFO Support Services (Technical Support)</u>				<u>(\$000)</u>
Financial Management Development Training	\$43	\$43	\$43	\$0
Budget support	308	334	334	0
Payroll Support	28	0	0	0
Support on the updating and reviewing of the Accounting Handbook and Actuarial Support	47	100	100	0
Subtotal	426	477	477	0
ADP Support:				
Financial management systems (DISCAS, MARS, FIS)	812	949	731	(218)
Maintenance and Enhancement of budget systems	1,010	799	789	(10)
Mainframe/LAN support	1,006	1,160	1,230	70
Small Department-wide management systems	406	115	115	0
Support for source data collection data entry, data validation and report generation	60	55	60	5
Subtotal ADP Support Services	3,294	3,078	2,925	(153)
Total CFO Support Services	3,720	3,555	3,402	(153)
FMIS (Sought in HR CIO Budget)	0	1,100	2,300	1,200

Other ADP funding to support the next generation FMIS is sought in the HR budget (referenced in Section I above). The increase of \$1.2 million reflects requirements of FMIS strategic process and functional requirement documents as it proceeds to the next stage of development.

- Other Related Expenses includes funding for Training, Working Capital Fund, Payroll Initiatives and ADP support.

<u>Other Related Expenses</u>	<u>FY 1997</u> <u>(\$000)</u>	<u>FY 1998</u> <u>(\$000)</u>	<u>FY 1999</u> <u>(\$000)</u>	<u>FY 1998/FY 1999</u> <u>Change</u> <u>(\$000)</u>
Training	\$89	\$84	\$78	(\$6)
Working Capital Fund	2,497	2,337	2,293	(44)
Payroll Initiatives	407	414	0	(414)
Other	238	329	296	(33)
Subtotal	3,231	3,164	2,667	(497)
ADP Support:				
Mainframe\LAN Hardware \Software	612	459	462	3
Software Maintenance	455	288	358	70
Timeshare	38	56	55	(1)
Access to program networks	119	70	170	100
Total Obligational Authority	4,455	4,037	3,712	(325)
Use of Prior-Year Balances <u>1/</u>	500	450	0	(450)
Total Budget Authority	3,955	3,587	3,712	125

1/ Uncosted balances used to finance FY 1997 and FY 1998 ADP activity.

Training funding, \$78,000, is \$6,000 less than in FY 1998.

Working Capital Fund is \$2,293,000, cost savings activities offset inflation.

Payroll initiatives decline to \$0 as a result of moving this activity to the Working Capital Fund. This will facilitate the decision to outsource or alternately, finance contractual expenses related to Departmental payroll processing, currently under discussion.

Other decreases slightly from FY 1998. Other includes funding for additional support necessary to consolidate six accounting centers into the Headquarters accounting center, implementation of performance measures for financial operations and other Departmental Activities required by the Chief Financial Officers Act of 1990 and the Government Performance and Results Act, and reimbursement of

costs associated with the Department of Health and Human Services (HHS) grants payment system.

ADP funding increase slightly from FY 1998. There is a general transition from major systems development to LAN/WAN development and commercial off the shelf software purchases. The shift of contractual funds from other contractual activity to ADP funding is necessary to leverage the capabilities of our declining staff resources. ADP funds are critical to our continued success in financial management and our efforts to improve Departmental and CFO performance.

IV. Performance Summary:

FY 1997/1998 Measurable Activities:

Submitted the FY 1996 and FY 1997 Department-wide **audited financial statements** to the Office of Management and Budget as required under the Government Management Reform Act of 1994. In FY 1997 obtained an unqualified opinion on the Department's FY 1996 consolidated Financial Statements.

Completed phase I and phase II of the Executive Information System.

Implemented the new Consolidated Accounting and Investment System (CAIS) for the Nuclear Waste Fund and Decontamination and Decommissioning Fund. The CAIS saves 20% in staff resources while improving customer service.

Completed third and final phase of Management Analysis Reporting System (MARS) implementation.

Completed conversion, training, and implementation of the payroll reengineering initiative.

Coordinated and ensured the quality of the Department's management control program and prepared the Secretary's annual Federal Managers' Financial Integrity Act (FMFIA) Report to the President and Congress.

Performed onsite Business Management Oversight Review at Oak Ridge Operations Office. Performed HQ evaluation of self assessment prepared by Savannah River Operations Office. Conducted performance based Financial Stewardship Workshop for DOE field sites. Published Performance Goals and Objectives and Guidelines for field site self assessment. All of this activity supports the Department's Business Management Oversight Pilot.

The FY 1999 Congressional Budget Request will be fully compliant with the GPRA. FY 1998 Congressional Budget Request included

the Department's Annual Performance Plan which incorporates a major provision of the GPRA.

Conducted recurring meetings chaired by the CFO and attended by program managers to brief them on emerging financial issues and the changing financial environment.

Continued Department-wide analysis of uncosted balances and imposed standards on levels for all programs. Intend to reduce funding requests where appropriate. Developed FY 1996 and FY 1997 Uncosted Balances Report required by Congress.

Issued the FY 1996 and FY 1997 Prior Year Construction Report required by Congress.

Reduced the inventory of completed construction projects by over 40%.

Continued to reengineer the Budget Process including: 1) Significantly improved the quality and shortened the length of the Congressional Budget. 2) Reduced the volume and increased the usefulness of the OMB and Congressional Budget. 3) Incorporated performance measures in budget documents. 4) Streamlined the field budget process to save both contractor and Federal staff devoted to the process while providing needed information to Headquarters in a timely fashion.

Enhanced Budget execution process to distribute funds, eliminating requirements to issue separate allotments for direct funding and reimbursable funding.

Continued "Status of Appropriations" monthly report in response to a request from the House Energy and Water Appropriation Subcommittee to aid in tracking budget execution of DOE appropriations.

Electronically transmitted a Standard General Ledger trial balance to Treasury's Federal Agency Centralized Trial Balance System representing all of the Department's financial activity in FY 1996 and FY 1997.

Continued process improvements (including a "paperless" travel system) to DOE travel system to facilitate ease of use and control of funds while reducing human resource requirements significantly.

Consolidated data bases for Chicago and completed accounting consolidation initiative for Headquarters accounting (Capital Accounting Center).

Maintained a 95% prompt payment percentage for FY 1997 and FY 1998, matching the targeted goal for the Department.

FY 1999 Measurable Performance Activities:

Submit Department-wide audited FY 1998 financial statements to the Office of Management and Budget.

Coordinate and ensure the quality of the Department's management control program and prepare the Secretary's Annual FMFIA Report to the President and Congress.

Implement the “paperless” time and attendance process for the Department.

Implement electronic invoicing for small purchases.

Close out ERA receivables pursuant to Section 2B of Emergency Petroleum Allocation Act of 1973.

Measure outcomes from performance indicators developed as a result of GPRA. Use outcome information in FY 2000 Congressional submission.

Continue to integrate performance indicators in budget justifications.

Provide a Performance Plan with FY 1999 budget which will become the basis for the execution performance plan.

Maintain a 95% prompt payment percentage for FY 1999, matching the targeted goal for the Department.

Conduct scheduled business management oversight reviews of Field Office financial activities.

Continue efforts to identify information requirements for targeted Departmental organizations and expand overall Executive Information System applications.

Complete all modifications to ensure that financial systems do not suffer from Year 2000 computational anomalies.

Determine design characteristics and initiate selection process for Financial Management Information System to replace our current financial management systems.

Modify DISCAS to incorporate Standard General Ledger at the transaction level.

Complete self assessment of the CFO organization.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
BOARD OF CONTRACT APPEALS
(Tabular dollars in thousands, Narrative in whole dollars)

PROGRAM MISSION

The Board of Contract Appeals is an administrative tribunal, responsible to the Secretary and under law for the fair and impartial trial and adjudication of a variety of disputes. With few exceptions, these disputes are related to the Department's acquisition and financial assistance programs. The Board exercises an array of statutory and delegated authorities. Board decisions constitute final agency decisions and are not subject to administrative review or modification. The Board also serves as the principal source of neutrals for acquisition and financial assistance related mediation and other alternative dispute resolution procedures.

The GOAL of the Board of Contract Appeals is to:

Provide to the fullest extent practicable, informal, expeditious and inexpensive resolution of contract and financial assistance related disputes pursuant to the Contract Disputes Act of 1978, the Alternative Disputes Resolution Act and other authority with complete fairness, impartiality, independence and integrity.

The OBJECTIVES related to the Board's goals are:

- o To contribute to mutually beneficial relationships between the Department and its contractors and financial assistance recipients.
- o Hear and decide disputes or resolve them through alternative means, vindicating the Department's and the contractor's or recipient's contractual expectations in an expeditious, economical, fair and impartial manner.
- o To advance the implementation of alternative disputes resolution procedures; contract disputes resolution without trials and decisions saves substantial public and private resources in appropriate cases.

PROGRAM MISSION - BOARD OF CONTRACT APPEALS (cont'd)

PERFORMANCE MEASURES:

The Board's performance measures are derived from the Contract Disputes Act which requires the Board to provide to the fullest extent practicable, informal, expeditious, and inexpensive resolution of disputes. To that end, at the outset of most cases the Board, after consultation with the parties, issues a Comprehensive Scheduling Order which sets out time limits to be met by the parties for various stages of the case and requires consideration of alternative means of dispute resolution. These limits are designed to advance the speed and control the costs of litigating the case as well as to enhance the prospects of settlement, all without compromising fairness. Scheduling orders are carefully monitored to ensure fairness and compliance.

SIGNIFICANT ACCOMPLISHMENTS AND PROGRAM SHIFTS:

- o Shifted program direction toward alternative forms of dispute resolution by fully integrating alternative dispute resolution into Board procedures.
- o Developed a wide range of model protocols for alternative dispute resolution proceedings, thus facilitating agreement.
- o Promulgated new rules which emphasize and thoroughly integrate alternative dispute resolution procedures into all Board processes and which have been widely commended.
- o Successfully and efficiently mediated significant cases.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
(Tabular dollars in thousands, Narrative in whole dollars)

BOARD OF CONTRACT APPEALS

I. Mission Supporting Goals/Ongoing Responsibilities:

The goal of the Board of Contract Appeals is to provide to the fullest extent practicable, informal, expeditious and inexpensive resolution of contract and financial assistance related disputes pursuant to the Contract Disputes Act of 1978, the Alternative Disputes Resolution Act and other authority.

Program Direction has been grouped into four categories:

Salaries and Benefits provide funding for full-time permanent and other than full-time permanent employees, in the following classes: salary and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive and other performance awards, and payments to funds for the benefit of employees for workman's compensation payments.

Travel funding for staff to conduct trials, mediations/arbitrations, typically at courthouses and other neutral sites and for employee training travel.

There are no Support Services.

Other Related Expenses include funding for employee training and development and funding to support the Working Capital Fund for rental space, telecommunications, utilities and miscellaneous charges, printing and reproduction, other services (e.g., tuition, experts, neutrals, etc.), operating and maintenance of equipment, purchase of goods and services from government counts, supplies and materials, and equipment. Common administrative services financed through the Working Capital Fund are included in this category.

II. Funding Table:

	FY 1997 Actual Obligations -----	FY 1998 Original Appropriation -----	FY 1998 Adjustments -----	FY 1998 Estimated Obligations -----	FY 1999 Budget Request -----
<u>Headquarters</u>					
Salaries and Benefits	\$ 489	\$ 509	\$ 1	\$ 510	\$ 527
Travel	3	6	0	6	6
Other Related Expenses	276	188	0	188	189
Total Obligations	\$ 768	\$ 703	\$ 1	\$ 704	\$ 722
Use of Prior Year Balances	-166 ¹	0	-1	-1	0
Total, Budget Authority	\$ 602	\$ 703	\$ 0	\$ 703	\$ 722
Full-time Equivalents	5	5		5	5

III. Performance Summary:

FY 1997/1998 Measurable Performance Activities:

- o Completed rulemaking initiated in FY 1995 describing Board organization and authorities including alternative disputes resolution functions.
- o Completed new debarment fact-finding authority including rulemaking for rules of procedure.

¹Use of prior year balances associated with start-up of the Working Capital Fund and DOE's space consolidation effort.

- o As a litigation cost-saving measure, expand mediation services to additional types of disputes such as disputes between cost-reimbursable contractors and their subcontractors.
- o Expand informational outreach services.

FY 1999 Measurable Performance Activities:

- o Optimize balance between thoroughness of process, time and costs.
- o Assess benefits of expanded mediation of disputes at subcontract level in cost-reimbursement contracts.
- o Continue expansion of mediation services to additional types of disputes as experience warrants.

IV. Explanation of Funding Changes FY 1998 to FY 1999:

- o The increase in Personnel Compensation and Benefits of \$16,370 reflects increases due to a cost of living adjustment and base pay adjustment of \$16,770. This increase is offset by a decrease of \$400 due to the elimination of costs for the \$80 per person VSIP charge.
- o The other related expenses reflect the full value of working capital fund expenses for the Board. The Working Capital Fund essentially shows no increase from FY 1998 on a comparable basis to FY 1999.

BOARD OF CONTRACT APPEALS

	FY 1997 Actual Obligations -----	FY 1998 Estimated Obligations -----	FY 1999 Budget Authority -----	FY 1998/FY 1999 Change -----	% Change -----
Other Related Expenses:					
Training	\$ 0	\$ 1,000	\$ 1,000	\$ 0	0
Working Capital Fund	276,000	184,000	185,000	1,000	.0055%
Other	0	3,000	3,000	0	0
 TOTAL OBLIGATIONS	 \$276,000	 \$188,000	 \$189,000	 \$ 1,000	 .0055%
Use of Prior Year Balances	0	0	0	0	0
 TOTAL BUDGET AUTHORITY	 \$276,000 ²	 \$188,000	 \$189,000	 \$ 1,000	 .0055%

²Increase in Other Related Expenses was due primarily to increased Working Capital Fund costs associated with rental space adjustments to move the Board's offices as part of DOE's consolidation effort. Includes Working Capital Funds for rental space (\$263,474); utilities (\$4,120); equipment (\$1,785); and all other administrative costs for mail services, supplies, copying, etc., totaling \$6,621.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION

OFFICE OF THE ASSOCIATE DEPUTY SECRETARY FOR FIELD MANAGEMENT

I. Mission Supporting Goals & Objectives: The Office of the Associate Deputy Secretary for Field Management (Field Management) serves as the corporate integrator for strengthening stewardship of the Department's facilities, major projects, and infrastructure; managerial oversight of the Department's eight Operations Offices and two Field Offices; fostering communication that enhance the Headquarters and Field relationship; and establishing consistent approaches and practical business management solutions that cut across the programmatic and operational lines of the Department.

Field Management has taken a leadership role in the implementation of the Government Performance and Results Act and the Federal Acquisition Streamlining Act. This has been achieved by providing leadership, training, and technical resources to continue the Department's transition to Life Cycle Asset Management for fixed assets. This "cradle to grave" comprehensive planning acquisition through disposal approach, will result in assets that are efficiently utilized and maintained in a safe and environmentally responsible manner.

Field Management serves as the Secretariat for the Secretary of Energy's Energy Systems Acquisitions Advisory Board (ESAAB) as prescribed by the Office of Management and Budget Circular A-109, and has approval authority for a number of large projects. During this process, critical decisions are made whether to proceed on major systems acquisitions at four critical points: identification of the mission need, project design, the construction start date, and initial date of operation. Field Management's responsibilities include management and continuous improvement of DOE's integrated ESAAB process by providing the administrative and analytical support to facilitate key decision making, analyzing project cost and schedule trends, and making independent recommendations to the Secretary and Assistant Secretaries.

Additionally, Field Management is the steward of the Department's Life Cycle Asset Management (LCAM) system. In this capacity, Field Management develops and continuously improves departmental project management and infrastructure policies, systems, and standards, including real estate, comprehensive planning, facility condition assessment and maintenance, asset reporting, and utility services. Further, Field Management maintains the capability to perform independent assessments, report project status and baseline variances, and institute systems and value engineering approaches that insure optimal design, cost, and schedules, and that technical alternatives are considered. Field Management also identifies and develops training courses that enhance the quality of personnel responsible for management of the Department's projects and infrastructure.

Field Management provides central management for the Facility Information Management System (FIMS), DOE's corporate system for maintaining data on real property and facilities. Field Management also intervenes before utility regulatory bodies to protect DOE's consumer interests. These interventions effect cost avoidances of approximately \$10 million annually.

As an honest broker, Field Management corporately resolves Department-wide and program crosscutting issues raised by either the headquarters organizations or the 10 major field sites. Partnering between Headquarters, the field, and private industry ensures that the Department remains abreast of emerging issues. Managerially, Field Management ensures that the operational concerns of the field are incorporated in the Department's decision process and strategic planning development.

Field Management is responsible for administering the position allocation and management of 20% of the Department's Senior Executives and providing personnel/manpower assessments on approximately 5,000 federal positions in the field. In addition, Field Management formulates and executes the \$104.5 million administrative and managerial budget which supports the four Multi-Purpose Operations Offices: Chicago, Idaho, Oak Ridge, and Oakland.

Field Management will continue to manage the Department-wide implementation of the Facility Representative Program (FRP) which ensures that all DOE facilities have technically competent federal staff to oversee the day-to-day operational safety at our contractor operated facilities. The Department implemented the FRP based on Defense Nuclear Facilities Safety Board (DNFSB) Recommendation 92-2, which is continually monitoring the program. It is important that Field Management proactively manage and improve the FRP. The DNFSB has evaluated the ongoing FRP, and has expressed its approval of DOE's efforts to ensure operational safety to its workers, the public, and the environment. Field Management also supports improvements to operations performance across the Department by advocating the use of "lessons learned" and other continuous improvement techniques.

Also, in support of the DNFSB recommendation 92-2, FM currently leads the Quality Assurance Working Group that is responsible for reaching Departmental consensus and making recommendations to Secretarial designees about safety and production related matters. Negotiations are coordinated with other programmatic activities, the field counterparts, as well as entities and stakeholders outside of the Department.

Field Management's corporate leadership has contributed to four of the Department's major reinvention initiatives under the National Performance Review. The initiatives continue to effect monetary savings and enhance performance. Through Performance-Based Incentive Contracting, seventeen management contracts have been converted to "performance" base rather than "level of effort." Field Management will continue to lead the implementation of the business management oversight process to convert business management oversight to a performance based process consistent with the department's strategic plan and the Government Performance and Results Act. This has already yielded substantial reductions in unnecessary and costly oversight of the field offices and contractors while maintaining assurance of sound business management. In FY 1999, Field Management will work to assure no more than one business management review occurs at any site or contractor except as provided in the guidelines. Finally, Field Management's LCAM initiative is the Department's first effort to move from a compliance based to a performance based culture for fixed assets. When fully implemented, this initiative will result in savings of \$87 million over a five year period.

Mission Supporting Goals/Ongoing Responsibilities:

Salary and Benefits provides funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, the Department's FICA contribution, unemployment and workman's compensation, health benefits, thrift savings plan, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, and permanent change in station moves.

Travel funds staff transportation to the field sites to participate on task teams that impact Departmental initiatives and other areas relative to project management, utility rate negotiations, and real estate planning. These funds also allow employees to attend conferences and training workshops.

Support Services funds finance technical support services contracts and related expenses associated with utility intervention and negotiations, systems and value engineering, life cycle asset management good practices standards, real estate management, and Energy Systems Acquisitions Advisory Board (ESAAB) implementation.

Other Related Expenses provides funding for employee development and training, the acquisition of goods and services that support Field Management's mission that are not considered support services, and items purchased through the Working Capital Fund, i.e. rent, supplies, telecommunications, mail handling and postage, network systems support and maintenance, contract audit and close-out requirements, and payroll outsourcing, etc.

II. Funding Table

	FY 1997 Actual <u>Obligations</u>	FY 1998 Original <u>Appropriation</u>	FY 1998 <u>Adjustment</u>	FY 1998 Estimated <u>Obligations</u>	FY 1999 <u>Request</u>
Field Management					
Salary & Benefits	\$4,947	\$4,297	\$281	\$4,578	\$4,743
Travel	149	255	0	255	255
Support Services	140 *	1,120	0	1,120	1,010
Other Related Expenses	<u>1,733</u> *	<u>2,282</u>	<u>0</u>	<u>2,282</u>	<u>1,918</u>
Total. Obligations	\$6,969	\$7,954	\$281	\$8,235	\$7,926
Use of Prior Year Balances	\$-115	\$0	\$-281	\$-281	\$0
Total, Budget Authority	\$6,854	\$7,954	\$0	\$7,954	\$7,926
Full Time Equivalents	51	45		45	45

* Supplemented with available prior year balances totaling \$1,549,000.

III. Performance Summary:

Significant Accomplishments - Fiscal Years 1997 & 1998

- Achieved staffing reductions below the Department's Strategic Alignment Initiative for FY 1997 and FY 1998.
- Reduced 12% of the Department's Senior Executives managed by Field Management to achieve organization efficiencies.
- Updated Lessons Learned Standard 7501-95. {Vice President Gore Hammer Award}
- Established a Lessons Learned Society Home Page on the Internet.
- Completed the installation of a Suspect Counterfeit Items (S/CI) Home Page and List Server to facilitate dissemination of S/CI information under QAWG.

- Successfully implemented the Facility Representative Program at all DOE Defense Nuclear Facilities, in compliance with DNFSB Recommendation 92-2, and proceeding with scheduled training and certification.
- Coordinated the departmental excessing of the New Brunswick site, a Former Utilized Remedial Action Plant.
- Assisted Rocky Flats with the disposal of the Oxnard Plant.
- Initiated electric power competition planning at the Chicago Operations Office for the Argonne and Fermi labs that are expected to net a 15%-20% cost reduction.
- Added West Valley Demonstration Project to the Defense Fuel Supply Center natural gas program to reduce cost through competition that should reduce costs by 20%.
- Concluded the pilot study of business management oversight of non-laboratory contractors.
- Concluded the pilot study of headquarters oversight of field federal activities at three field offices.
- Provided technical support to Savannah River by analyzing power cost scenarios for the Accelerator Production of Tritium and demonstrated competitive acquisition life-cycle cost savings of about \$144 million.
- At Idaho, avoided \$1 million increase through utility negotiations. The new contract provides "off-ramp" for eventual statewide competition.
- Started Rocky Flats toward better alignment of utility operations with a projected savings of \$1 million in life-cycle operating costs.
- Electric and natural gas contract negotiations for Mound and Fernald resulted in reduced costs of approximately \$900,000.
- At the Savannah River Plant, minimized on-site generation and transmission plant costs by leasing electric utility and reduced cost by \$200 million over 10 years.
- Litigated the Nevada Power Company rate case that removed a proposed \$1 million a year charge and reduced rates by \$700,000 for the Nevada Test Site.
- Litigated at the Federal Energy Regulatory Commission a double-charge rate imposed on Western Area Power Administration customers, Los Alamos and Sandia, by the Public Service Company of New Mexico. Cost are reduced by \$7,450,000 over 10 years beginning in January 1997.
- Intervened between the Public Service Company of Colorado and Southwestern Public Service Company merger to reduce cost at Rocky Flats between \$290,000 and \$368,000 over the first five years.
- DOE intervened in PG&E's application to the CPUC to sell Grizzly substation to the University of California at Berkeley (UCB) that results in electric wheeling cost savings of about \$600,000 a year.

Performance Expectations for FY 1999:

Field Management's efforts to redesign the Department's approach to LCAM and eliminate excessive reviews through the Business Management Oversight Process have been widely recognized. As the recipient of two Hammer Awards in these areas, there is a commitment to continue meeting the challenge of Departmental missions and changes in how the government conducts its business, e.g. Department of Energy Strategic Plan, Secretary's Performance Agreement with the President, National Performance Review, Federal Acquisition Streamlining Act, Government Performance and Results Act, and Government and Management Results Act, etc. Field Management will strengthen the management of facilities, projects, and infrastructure to ensure cost effectiveness, safe and environmentally sound operations, the successful completion of new projects, and

appropriate site maintenance through the following performance measures. These measures are primarily qualitative rather than quantitative and represent forecast successes and indicators tied to the Corporate Management efforts described in the Department's Strategic Plan.

Establish project scope, schedule, and cost baselines based on industry and government best project management practices:

- ▶ Ensure that the implementation of LCAM at the eight Operations offices and two Field sites results in increased efficiency and annual costs avoidance of approximately \$10 million.
- ▶ Develop LCAM course work in four areas: maintenance, utilities, costs estimating, and reporting.
- ▶ Conduct seven LCAM training courses.
- ▶ Publish updated department-wide policy on LCAM.
- ▶ Publish updated LCAM Good Practices Guides.
- ▶ Complete four ESAAB reviews on required Strategic and Major Systems.

Improve physical asset stewardship to enhance the ability to plan, budget, and track new and existing infrastructure performance and requirements:

- ▶ Conduct Independent Assessments on all four strategic and major projects.
- ▶ Provide technical maintenance expertise to facilitate the design and development of the Departmental systems.
- ▶ Perform independent assessments and provide policy guidance that complies with congressional direction to show departmental deferred maintenance costs in the FY 1999 Financial Statements.

Ensure maximum resource utilization and safe operations:

- ▶ In jurisdictions where competition for electric services becomes available, Field Management will partner with the field and program organizations to initiate competitive acquisitions that achieve an average cost avoidance of 15%.
- ▶ Provide technical guidance on the implementation and use of systems engineering and value management tools to reduce costs in the field resulting in a 10:1 cost avoidance ratio.

Pursue new approaches, incentives and opportunities to achieve annual savings through sale, transfer, and disposal of assets no longer needed to perform DOE's work:

- ▶ Manage technical services that support FIMS data collection at four operations offices.
- ▶ Increase the usage and reliance on the FIMS by 20%.
- ▶ Fully implement the FIMS Data Collection Plan that was developed in FY 1998.
- ▶ Assist the Field in reducing the number of uncollected data elements in FIMS by 20%.
- ▶ Conduct FIMS random sampling on 20% of all sites to validate the accuracy and data presence.
- ▶ Conduct two FIMS training courses.

The report language within the FY 1998 Energy and Water Development Appropriations Act Conference Report entrusted Field Management with \$35 million to conduct a review of all construction projects and their associated processes under DOE stewardship. The construction projects slated for review include the following:

- Projects initiated in FY 1998;
- Projects in the conceptual design phase;
- Ongoing projects; and
- Projects proposed for privatization.

Based on this guidance, the following assessments will be accomplished in three distinct phases:

Within FY 1998, **Phase 1** will result in a technical report that determines the need for independent assessments, establishes criteria for selecting projects, develops guidelines for conducting independent project reviews, and determines the appropriate organizations to perform the reviews. For Phase 1, the Department will use a Principle Investigator from a congressionally chartered, non-profit corporation that has an unbiased reputation and extensive experience in management and construction of engineering and technical systems environments.

Phase 2 will build upon the findings of the first phase to provide a detailed independent assessment of the Department's overall management structure and process for identifying, managing, designing and constructing facilities. The Department will also utilize an impartial independent organization with expertise in the evaluation of government management and administrative functions.

For FY 1999, **Phase 3** provides for the assessment of selected projects across the Department's complex in the areas of quality technical scopes, cost estimates, schedules, and planning and control systems capability regarding project execution. The ultimate goal of all three phases is to establish an overall departmental project management process that has more control of projects and reduces project cost growth and schedule slippages.

IV. Explanation of Funding Changes:

- ▶ Personnel compensation and benefits reflects an \$165,000 increase associated with cost of living adjustments and other base pay adjustments (\$312,000) offset by decreases due to the elimination of the buyout program and the \$80 per person VSIP charge (\$147,000).
- ▶ Travel remains constant with FY 1998 at \$255,000.
- ▶ Support Services shows a decrease of \$110,000. This reflects the impact of limited resources available to perform technical services in support of Field Management's mission within the FY 1999 funding target, offset by increased efforts in system and value engineering, project management best practices guides, and participation in lessons learned activities.

	FY 1997 <u>(\$000)</u>	FY 1998 <u>(\$000)</u>	FY 1999 <u>(\$000)</u>	Change <u>(\$000)</u>
Support Services				
Technical Support Services				
Feasibility of Design Considerations	\$0	\$1,120	\$685	\$-435
Economic and Environmental Analysis	0	0	0	0
Test and Evaluation Studies	<u>0</u>	<u>0</u>	<u>241</u>	<u>241</u>
Subtotal	\$0	\$1,120	\$926	\$-194
Management Support Services				
Management Studies	0	0	0	0
Training and Education	105	0	84	84
ADP Support	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	\$140	\$0	\$84	\$84
Use of Prior Year Balances	\$1,160	\$0	\$0	\$0
Total Support Services	\$1,300	\$1,120	\$1,010	\$-110

- Other Related Expenses includes funding for employee training and development, Working Capital Fund assessment, program support activities,

and management information systems maintenance and capital acquisitions. The change between FY 1998 and FY 1999 is a \$364,000 decrease, mainly due to the completion of work in program support activities and costs studies that are not considered support services, offset by Working Capital Fund contract closeout requirements for FY 1999.

	FY 1997	FY 1998	FY 1999	Change
	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>
Other Related Expenses				
Training	\$50	\$50	\$50	\$0
Working Capital Fund	950	1,182	1,400	218
Program Support	253	250	50	-200
Cost Studies	55	350	0	-350
Information Systems Maintenance and Acquisitions	<u>425</u>	<u>450</u>	<u>418</u>	<u>-32</u>
Subtotal	\$1,733	\$2,282	\$1,918	\$-364
Use of Prior Year Balances	\$249	\$0	\$0	\$0
Total Other Related Expenses	\$1,982	\$2,282	\$1,918	\$-364

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)
CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

PROGRAM MISSION

The mission of the Office of Congressional and Intergovernmental Affairs is to build trust and ensure public understanding of the importance of Department of Energy (DOE) policies, programs, and initiatives.

The office is charged with serving the needs of a wide range of customers, including Members of Congress; State, local and Native American governments; DOE stakeholders; consumer and public interest groups, and in some cases Federal and contractor employees. The mission and its incumbent responsibilities are well served by the office's functioning as a "one stop shop" for information about the Department's energy, national security, science and environmental business lines. The release of timely, factual information, and a commitment to creating opportunities for early customer involvement in the Department's decisionmaking process have contributed to the office's success in fulfilling its mission and achieving its goals and objectives.

The office strives for continuous improvement in its partnerships with constituent groups and stakeholders. These efforts are supported through close collaboration with program staff on the development and implementation of legislative strategies; by communicating DOE's missions and benefits to our primary customers; and rapid response to our customer's requests for information.

The GOALS of the office are to:

- o Embrace the maxim that "an informed citizenry is our nation's best defense," and, as skilled professionals, provide information to Members of Congress and their staffs, State, local, and Tribal officials, by extension, American taxpayers; contribute to a board national understanding of the Department's mission in areas ranging from energy security to economic development and national security; and support the statutory requirements of Public Law 95-91, to provide liaison between the Department, Congress, and the general public.

- o Comply with DOE's Acquisition Regulation which directs this office to advise Members of Congress regarding pending awards that have an impact upon the Members' State/District.
- o Communicate to all of our customers through its work advising program offices of matters relating to congressional, intergovernmental, and tribal, and other outreach activities. In doing so, we deliver on our democratic commitment to a policy of openness and accessibility.
- o Provide timely, responsive information in anticipation of customer needs and targeted to the full range of DOE customers -- from school children interested in science to governors, tribes, local elected/appointed officials, and community groups around DOE sites, to professionals in the business, environmental, and national security communities.
- o Support early and effective customer involvement in DOE decisionmaking by improving coordination of stakeholder activities that cross-cut other DOE programs.
- o Prepare briefing materials for the Secretary, Deputy Secretary and Under Secretary in preparation for meetings with Members of Congress and stakeholders.

The OBJECTIVES related to these goals are:

- o To build trust through the release of timely, responsive, factual information; to facilitate the flow of information and advice between the Department, the Administration, and the Congress; create opportunities for early Congressional involvement in the Department's decisionmaking process; and to communicate the Department's mission and benefits to our Congressional customers.
- o To promote regular dialogue and information sharing with elected State and local officials, Tribal representatives and stakeholder groups; provide a broader public understanding of what DOE is doing and how activities reflect and further U.S. national interests; to effect better informed, more satisfied customers and more comprehensive input into the DOE decision base.
- o Research and development of briefing materials and issue analyses which must be accurate, relevant and topical, as well as interesting and informative to diverse audiences.

PERFORMANCE MEASURES:

We measure our performance through customer feedback, leadership's ability to meet commitments and program objectives, satisfaction of labor/management partnership, and feedback from our employees.

SIGNIFICANT ACCOMPLISHMENTS AND PROGRAM SHIFTS:

- o Worked closely with Members of Congress, their staffs, and Committees/Subcommittees to define, articulate, and advance the Department's implementation of the Government Performance and Results Act, FY 1998 Authorization and Appropriations legislation, and other legislative and policy priorities. For example, we played a major role in
 - Working to enact an extension of the Energy Policy and Conservation Act, an extension of the Electric and Magnetic Fields (EMF) Program, and the sale of the Elk Hills Naval Petroleum Reserve;
 - Informing Members and their staffs on the potential impacts of Congressional proposals relating to the Energy and Water Development Appropriations Bill and the Interior and Related Agencies Appropriations Bill;
 - Assisting in the enactment of the Department's provisions in the National Defense Authorization Act which included provisions to amend the Waste Isolation Pilot Plant Land Withdrawal Act;
 - Enhancing New Members' understanding of our programs, accomplishments and objectives.
- o Worked closely with Governors and their staffs, local elected/appointed officials, and Tribal representatives to provide information on DOE activities and decisions, and to elicit and incorporate their concerns and interests into DOE decision processes.
- o Coordinated and provided two-way communication with national and regional stakeholder groups and energy trade associations.
- o Advised DOE program officials on scope and scheduling of public involvement activities and coordinated efforts across DOE to assure easier, more effective stakeholder participation.
- o Represented DOE and Administration policies and positions at national and public interest group (intergovernmental, Native American, and non-intergovernmental organizations) meetings.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

PROGRAM PERFORMANCE SUMMARY

I. Mission Supporting Goals and Objectives:

The goal of the Office of Congressional and Intergovernmental Affairs is to promote Departmental policies, programs and initiatives by facilitating the flow of information and advice to Congress, State, local, and Native American governments, other Federal agencies, stakeholders, and the general public.

Program Direction has been grouped into four categories:

--Salary and Benefits provides funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees, and workmens compensation.

--Travel provides funding for staff travel for site visits to facilities of interest to Congress; to attend conferences and meetings with State and local governments, American Indian tribal officials; and meetings with public interest groups representing consumer, business and community groups and a broad range of DOE stakeholders to convey DOE initiatives and policies; and travel associated with training.

--Support Services provides funding for computer support for advancing communications technologies and development for enhanced communications tools, e.g., Home Page, Spectrafax.

--Other Related Expenses provides funding for employee training and development, and funding for items included in the business lines of the Working Capital Fund, for example, office space, utilities, building operations and maintenance, postage, telephone service, printing and graphics, copying, etc.

II. Funding Schedule:

	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Budget Request
Salary and Benefits	\$4,189	\$3,424	+\$548	\$3,972	\$4,212
Travel	50	46		46	50
Support Services					25
Other Related Expenses:					
--Training	1	3		3	4
--Working Capital Fund	914	824		824	820
--Subtotal Other Related Expenses	915	827		827	824
Program Support	8	40	+33 <u>2</u> /	73	19
Total Obligations	\$5,162	\$4,337	+\$581	\$4,918	\$5,130
Use of Prior Year Obligations	+\$230 <u>1</u> /	--	\$-581	\$-581	--
Total, Budget Authority	\$5,392	\$4,337	\$0	\$4,337	\$5,130
FTE's	40	39		39	39

1/ Use of prior year balances of \$+229,548 is a net amount comprised of \$+214,041 in salary savings and \$+32,000 in program support savings offset by \$-16,493 of use of prior year balances for purchases in other related expenses.

2/ Use of prior year balances for contractual support for public service announcements and consumer news feature stories.

III. Performance Summary:

FY 1997 Accomplishments:

In support of serving as an intermediary with Members of Congress, DOE stakeholders, the general public, and the States, staff resources:

- o Assisted program offices in their preparation of lead testimony and accompanied senior Departmental officials to approximately 74 hearings.
- o Attended over 3,000 briefings and meetings and over 60 committee markups in performance of their liaison functions.
- o Researched, prepared, and/or reviewed:
 - 250 Daily Reports, 52 Weekly Reports, and 126 Highlights Reports for senior Departmental officials providing detailed congressional and intergovernmental information on meetings, hearings, mark-ups, site visits and other major events;
 - Communications Plans announcing major policy and program announcements;
 - 74 reports on Congressional hearings, coordination of 86 hearing statements, 1,655 pre- and post-hearing Questions and Answers; 97 inserts for the record; and 1,000 congressional letters relating to hearings;
 - 3,000 contract and grant notifications for Members of Congress requiring over 9,000 congressional notifications;
 - Several thousand notifications to Governors/Tribal leaders/American Indian Organizations/ consumer groups and industry of major actions;
 - 3,200 pieces of Congressional correspondence, developed with program offices on program/policy issues;
 - 100 briefing books/papers regarding Congressional hearings and meetings;
 - 200 invitations for meetings or appearances by the Secretary and other principal Departmental officers with intergovernmental or public liaison groups;
 - 535 biographies developed for Members of Congress (including energy-related information, Committee assignments, energy and environment-related legislation sponsored and co-sponsored by Member(s), background information on Departmental facilities in Member's District/State, and major energy interests and concerns); and
 - 175 State Briefing Papers prepared for Administration officials covering energy issues and concerns for the relevant State.
- o In support of the Department's mission:
 - Worked with program offices to develop legislative approaches concerning the Department's budget and key legislation;
 - Participated in meetings with Tribal representatives to discuss Departmental policies and decisions likely to affect Native Americans;
 - Coordinated efforts to encourage intergovernmental and public interest groups to adopt policy positions in line with Administration and DOE policies and initiatives resulting in the adoption of roughly a dozen resolutions supporting Departmental interests;

- Provided general intergovernmental policy advice and support to Departmental program and Operation Offices through more than 2,500 personal contacts and reviewed over 400 program proposals, concurrence and correspondence for intergovernmental impact;
- Provided early warnings to program officials on energy issues of concern in the States and with Native American governments, ranging from energy supply and cost issues to environmental and waste management matters;
- Provided strategic and coordinated messages and schedules for major announcements.

FY 1998 Planned Accomplishments:

- o Serve and establish a closer working relationship with the Congress, State, local, and Native American governments, other Federal agencies, and stakeholders to keep them apprised of the Department's mission and goals.
- o Communicate the Secretary's vision for the Department; including openness in providing information to the Department's stakeholders and implement more innovative approaches to public involvement activities.
- o Continue to re-engineer and utilize team matrixes to achieve more timely and full dissemination of information and to improve coordination with Program and Field offices.

FY 1999 Planned Accomplishments:

- o Involve a wider range of stakeholders, including the general public, in the activities of the Department and develop a broader common understanding of major DOE issues.
- o Continue to re-engineer and utilize team matrixes to achieve better utilization of human resources, to provide more timely and full dissemination of information and to improve coordination with Program and Field offices.

IV. Explanation of Funding Changes from FY98 to FY99:

- o The increase of \$240,418 in personnel compensation and benefits reflects increases due to cost of living adjustments, promotions, performance awards and base pay adjustments of \$+342,369; offset by decreases due to the elimination of costs associated with buyouts, severance and other miscellaneous adjustments and the \$80 per person VSIP charge \$-101,951.
- o Travel reflects an increase of \$4,000 and is essentially level with the FY-1999 request.

- o Support Services addition of \$25,000 will provide computer support for advancing communications technologies and development of enhanced communications tools, e.g., Home Page, Spectrafax.
- o Other Related Expenses reflects a small decrease of \$3,000.
- o Program support reflects a decrease of \$54,000 from FY-1998 to FY-1999 due to the need to spread funding for contractual requirements for public service announcements and consumer news feature stories over two fiscal years utilizing prior year balances. Note: Historically, program support has been funded at \$40,000.

V. Other Related Expenses:

	FY 1997 Total Obligations	FY 1998 Original Appropriations	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Budget Request
Other Related Expenses:					
--Training	1	3		3	4
--Working Capital Fund	<u>914</u>	<u>824</u>		<u>824</u>	<u>820</u>
Total Other Related Expenses	\$ 915	\$ 827		\$ 827	\$ 824

VI. Program Support: Includes costs for all contractual support for activities such as public service announcements to radio stations nationwide, consumer news radio features, development and enhancement of systems to expedite information dissemination and other outreach activities.

	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Budget Request
Program Support:					
--Consumer Affairs	<u>8</u>	<u>40</u>	<u>33</u>	<u>73</u>	<u>19</u>
Total Program Support	\$ 8	\$ 40	\$ 33	\$ 73	\$ 19

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

PUBLIC AFFAIRS

PROGRAM MISSION

The mission of the Office of Public Affairs is to communicate DOE's mission and benefits to the public directly and through the media in decisions vital to their interests; improve internal communications and build trust and ensure public understanding of the importance of Department of Energy (DOE) policies, programs, and initiatives.

The office is responsible for directing and managing the Secretary's, Department, and Administration policies and initiatives with the public, news media and other stakeholders and to foster an identity that is understandable and consistent with the Department's mission. Also manages the coordination of all public affairs efforts within Headquarters program offices and the Field Offices and serves as the chief spokesperson for the Department. Provides management and oversight for the Department's liaison on public affairs efforts which includes public information activities with the general public and special interest groups, press and media services, speechwriting for the Secretary of Energy, publication of special information materials, special projects, responding to public inquiries, and preparation and dissemination of newsclips. Manages Departmental information developed for public dissemination through a review of proposed publications, audiovisuals, and exhibits and determines the best way to communicate Departmental policies to the general public. The release of timely, factual information, and a commitment to creating opportunities for early customer involvement in the Department's decisionmaking process have contributed to the office's success in fulfilling its mission and achieving its goals and objectives.

The GOALS of the office are to:

- o Communicate to all of our customers through its work advising program offices of matters relating to media and public information activities. In doing so, we deliver on our democratic commitment to a policy of openness and accessibility.
- o Provide a range of services and technical support to the news media, including liaison between journalists and DOE principals, organization and preparation of press conferences, news releases, fact sheets, background material, research and information analysis, and audio/visual assistance.

- o Provide responses to telephonic and written inquiries as well as responding to walk-up visitors inquiring about the Department's programs and activities.
- o Support early and effective customer involvement in DOE decisionmaking by improving coordination of public activities that cross-cut other DOE programs.
- o Research and prepare the Department's monthly news publication that is made available to all Federal and contractor employees, Members of Congress, and by subscription to libraries and the general public.
- o Compile newsclips gathered from newspapers (regional and national) and magazines regarding Departmental policies, issues, and activities.
- o Provide coordinated review of non-technical Departmental publications, audiovisuals, and exhibits.
- o Prepare speeches, briefing materials, and issues analyses for the Secretary, Deputy Secretary and Under Secretary in support of their work to articulate and explain Administration and Departmental policies and initiatives.

The OBJECTIVES related to these goals are to:

- o Fulfill and ensure the public trust by placing a premium on information, integrity, and effective communication of DOE's mission, goals and objectives--all in a timely fashion by working with general and trade news media.
- o Provide a communications channel, DOE This Month, that gathers and consolidates information crosscutting all Departmental elements throughout the country, keeping DOE employees and contractors abreast of Departmental policy, ongoing programs, current activities and new initiatives.
- o Provide a central newsclip service that makes newsclips available for Departmental officials.
- o Review communications products to assure cost-effectiveness while providing understandable, consistent and non-redundant information services, products, and publications.
- o Research and develop speeches and briefing materials which must be accurate, relevant and topical, as well as interesting and informative to diverse audiences.

PERFORMANCE MEASURES:

We measure our performance through customer feedback, leadership's ability to meet commitments and program objectives, satisfaction of labor/management partnership, and feedback from our employees.

SIGNIFICANT ACCOMPLISHMENTS AND PROGRAM SHIFTS:

- o Planned and coordinated press conferences, press releases, and interviews for:
 - Department's FY 1998 Congressional Budget;
 - Supporting Administration's efforts to Restructure the Electricity Industry;
 - Transition activities for the new DOE Secretary;
 - Brookhaven Issues;
 - Scientific experiments to obtain technical information to maintain the safety/reliability of the U.S. nuclear weapons stockpile without nuclear testing);
 - Refrigeration Standards (energy savings from new efficiency standards for refrigerators);
 - Digit Pace (Nuclear Weapon Accident Exercise);
 - Research and Development 100/Discover Awards;
 - National Science Bowl;
 - Supporting Elk Hills Sales Process (largest privatization in Federal history);
 - Refined Petroleum Products Issues (home heating oil, gasoline);
 - Presidential/Secretarial Missions to Mexico, Costa Rica, IEA (Paris);
 - Openness/Human Radiation; and
 - Global Climate Change.
- o Operated the Departmental public inquiries office that handles requests concerning all DOE program and activities responding to over 16,000 public inquiries from students, schools, colleges, libraries, industry, businesses, Congressional offices, Federal agencies, State and local governments, and private citizens.
- o Produced and distributed 12 editions of the Departmental newsmagazine to DOE employees and contractors with external copies sent to Congressional offices, Federal agencies, State and local governments, news media, libraries, colleges, schools, energy-related trade associations and public interest organizations, embassies and others on request.

- o Produced the newsclips, a centralized Departmental source of information for senior staff and employees, about continuing news coverage of DOE and all energy-related issues.

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

PUBLIC AFFAIRS

PROGRAM PERFORMANCE SUMMARY

I. Mission Supporting Goals and Objectives:

The goal of the Office of Public Affairs is to communicate DOE's mission and benefits to the public directly and through the news media in decisions vital to their interests; improve internal communications and build trust and ensure public understanding of the importance of Departmental policies, programs and initiatives.

Program Direction has been grouped into four categories:

--Salary and Benefits provide funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees and workmens compensation.

--Travel provides funding for staff travel to arrange and lead all media events, to accompany the Secretary, Deputy Secretary, and Under Secretary at public appearances; to attend conferences and meetings with Public Affairs Field Directors; and a broad range of DOE stakeholders to convey DOE initiatives and policies; and travel associated with training.

--Support Services provides funding for computer support for advancing communications technologies and development of enhanced communications tools, e.g., Home Page, Spectrafax, and the continued support to produce DOE This Month--the Department's official newsletter.

--Other Related Expenses provides funding for employee training and development, and funding for items included in the business lines of the Working Capital Fund, for example, office space, utilities, building operations and maintenance, postage, telephone service, printing and graphics, copying, etc.

II. Funding Schedule:

	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Budget Request
Salary and Benefits	\$2,241	\$2,325	\$+133	\$2,458	\$2,645
Travel	18	67		67	70
Support Services					125
Other Related Expenses:					
--Training	1	3		3	4
--Working Capital Fund	1,022	968		968	968
Subtotal Other Related Expenses	1,023	971		971	972
Program Support	27	50	+50 <u>2/</u>	100	38
Total Obligations	\$3,309	\$3,413	\$+183	\$3,596	\$3,850
Use of Prior Year Obligations	\$+224 <u>1/</u>	--	\$-183	\$-183	--
Total, Budget Authority	\$3,533	\$3,413	-0-	\$3,413	\$3,850
FTE's	31	30		30	30

1/ Use of prior year balances of \$+224,127 is a net amount comprised of \$+165,882 in salary savings, travel savings of \$+51,739 and \$+23,000 in program support savings offset by \$-16,494 of prior year balances for purchases in other related expenses.

2/ Use of prior year balances for contractual services for video tape duplication and transcription services.

III. Performance Summary:

FY 1997 Accomplishments:

In support of serving as an intermediary with the news media, DOE stakeholders, and the general public, staff resources:

- o Coordinated 120 Press Conferences and prepared over 100 press releases and numerous notes to editors and briefs.
- o Responded to over 12,000 telephone and/or walk-in inquiries.
- o Researched, prepared, and/or reviewed:
 - 52 Weekly Reports for senior Departmental officials providing detailed information on public affairs/information activities and events; and
 - Communications Plans announcing major policies and initiatives.
- o In support of the Department's mission:
 - Reviewed/approved over 175 publications, exhibits and audiovisuals of Departmental activities;
 - Managed the daily newsclips function which compiled articles from 50 major newspapers, five regional papers, eight weekly magazines/journals and produced/distributed 716 copies of news, magazine, and regional clips;
 - Responded to over 9,100 press inquiries;
 - Prepared talking points for over 180 meetings for the Secretary's presentations;
 - Assisted, advised, and/or prepared speeches, talking points, and presentations for the Secretary.
 - Communicated guidance and coordinated activities with Field and Laboratory public affairs offices; and
 - Provided strategic and coordinated messages and schedules for major announcements.

FY 1998 Planned Accomplishments:

- o Serve and establish a closer working relationship with the news media, stakeholders, and the general public to ensure that they are kept apprised of the Department's mission of energy resources, national security, environmental quality, and science and technology.
- o Communicate the Secretary's vision for the Department; including openness in providing information to the news media and through internal communications.

- o Serve as the Department's spokesperson with the public on energy issues and provide policy and advice on dissemination of information. Continue to achieve timely and full dissemination of information and continue coordination with Program and Field offices.

FY 1999 Planned Accomplishments:

- o Involve a wider range of stakeholders in the activities of the Department and develop plans to articulate information to communicate major DOE issues.
- o Continue to achieve better utilization of human resources, to provide more timely and full dissemination of information and work closely with Program and Field offices.

IV. Explanation of Funding Changes from FY98 to FY99:

- o The increase of \$186,105 in personnel compensation and benefits reflects increases due to cost of living adjustments, promotions, overtime, performance awards and base pay adjustments \$+188,185. This increase is offset by decreases due to the elimination of the \$80 per person VSIP charge \$-2,080.
- o Travel reflects an increase of \$3,000 and is essentially level when compared to the FY-1999 request.
- o Support Services addition of \$125,000 will provide computer support for advancing communications technologies and development of enhanced communications tools, e.g., Home Page, Spectrafax, and support for DOE This Month--to include development of Home Page for this publication.
- o Other Related Expenses reflects an increase of \$1,000 in training related to computer enhancements.
- o Program support reflects a decrease of \$62,000 from FY-1998 to FY-1999 due to the need to spread funding for contractual requirements for video tape duplication and transcription services over two fiscal years utilizing prior year balances. Note: Historically, program support has been funded at \$50,000.

V. Other Related Expenses:

Other Related Expenses	FY 1997 Total Obligations	FY 1998 Orginal Appropriation	FY 1998 Adjustments	FY1998 Estimated Obligations	FY 1999 Budget Request
Other Related Expenses:					
--Training	1	\$ 3		\$ 3	\$ 4
--Working Capital Fund	<u>1,022</u>	<u>968</u>		<u>968</u>	<u>968</u>
Total Other Related Expenses	\$1,023	\$ 971		\$ 971	\$972

VI. Program Support: Includes costs for all contractual services relative to the Office of Public Affairs, such as internal and external media and public awarensss activities to include delivery of news releases and major policy announcements, radio/TV broadcasts, electronic news wire and clippings services, newspaper delivery, video tape duplication and transcription services for media events, development and enhancement for Spectrafax, equipment and software for other outreach support.

Program Support	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY1999 Budget Request
Program Support:					
--Public Affairs	<u>27</u>	<u>50</u>	<u>50</u>	<u>100</u>	<u>38</u>
Total Program Support	\$ 27	\$ 50	\$ 50	\$ 100	\$ 38

U.S. DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

GENERAL COUNSEL

PROGRAM MISSION

The Office of General Counsel is responsible for providing comprehensive legal services to the Secretary and the Department. These services include legal counsel with respect to every program and function of the Department, except those relating to the Federal Energy Regulatory Commission and Environment, Safety, and Health's administrative enforcement activities related to Nuclear Safety. General Counsel assures that the Department operates in compliance with applicable laws. The position of General Counsel is mandated by Public Law 95-91, Section 202(b).

The GOALS of the Office of General Counsel are to:

- o Anticipate the needs of the Secretary and the Department and to provide timely, sound, responsive, and innovative legal counsel and services.
- o Advance the interests of the Secretary and the Department through negotiation, dispute resolution, rule making, legislation, and, when necessary, litigation.

The OBJECTIVE related to these goals is to:

Provide Legal Support towards the Secretary's and the Department's missions of:

- o Protecting National Security and Reducing the Nuclear Danger
- o Enhancing Energy Security
- o Environmental Cleanup and Stewardship
- o Advancing Frontiers of Science and Technology
- o Corporate Management

**DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)**

GENERAL COUNSEL

I. Mission Supporting Goals / Ongoing Responsibilities:

The goals of the Office of General Counsel are to anticipate the needs of the Secretary and the Department and to provide timely, sound, responsive, and innovative legal counsel and services; and advance the interests of the Secretary and the Department through negotiation, dispute resolution, rule making, legislation, and when necessary, litigation.

Program Direction has been grouped into four categories:

Salary and Benefits provide funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees, and workmens compensation.

Travel provides funding for attorneys to attend hearings, court trials, proceedings, and to take depositions wherever necessary. Travel also provides funding for conference attendance, and employee training travel.

Support Services provides funding for technical support services for this organization including: technical support for General Counsel computer and LAN operations, staffing of the DOE law library; outside patent attorneys to process patent waivers, licenses, and clearances; and consulting services to receive, process and track 4,000 to 6,000 inventions and patent documents.

Other Related Expenses provides funding for: costs related to the prosecution of patents, etc. by DOE attorneys, DOE law library acquisitions, employee training and development, payments to other government agencies, and funding for items included in the working capital fund, for example, utilities, building operations, and maintenance, supplies, telephone service, etc.

MAJOR ACTIVITIES:

- o General Counsel is responsible for review of proposed Departmental actions and the defense of those matters through both judicial and administrative litigation in federal and state courts, at the trial and appellate levels. Because of the diversity and magnitude of the Department's activities, a single office within General Counsel may be responsible for providing legal services with respect to as many as 50 different statutes, and the legal expertise required may encompass the entire range of the law, from issues of constitutional proportions to personnel law matters affecting individual employees.
- o General Counsel is responsible for enforcing the provisions of the Emergency Petroleum Allocation Act of 1973.
- o General Counsel is responsible for conducting several programs of Department-wide application. The Intellectual Property program manages and protects the Department's wealth of intellectual property, whether it be in the form of a patent, trademark, or copyright, that results from the billions of dollars invested in the Department's research and development activities. The Standards of Conduct program implements the ethical standards requirements of the Department of Energy Organization Act and other statutes and regulations with which current and former employees must comply.
- o General Counsel is also involved in the development and/or implementation of policies and procedures in the areas of rule making and alternative dispute resolution.
- o General Counsel assists other departmental elements by providing legal support to their programs, such as the drafting and review of proposed legislation.

PERFORMANCE MEASURES:

- o The Intellectual Property Program expects to have processed 4,000 - 6,000 actions associated with patents, invention disclosures, and waiver requests for each of the Fiscal Years 1997, 1998, and 1999, dependent upon funding.

II. Funding Table:

	FY 1997 Actual <u>Obligations</u>	FY 1998 Original <u>Request</u>	<u>Adjustments</u>	FY 1998 Estimated <u>Obligations</u>	FY 1999 Congressional <u>Request</u>
Salary and Benefits	\$14,424	\$15,802	\$326	\$16,128	\$16,625
Travel	75	128	11	139	100
Support Services	250	236	0	236	496
Other Related Expenses	<u>3,880</u>	<u>3,490</u>	<u>0</u>	<u>3,490</u>	<u>3,650</u>
Total Obligations	\$18,629	\$19,656	\$337	\$19,993	\$20,871
Use of Prior Year Balances <u>1/</u>	\$182	\$0	(\$337)	(\$337)	\$0
Budget Authority	\$18,811	\$19,656	\$0	\$19,656	\$20,871
Full Time Equivalents	158	171		171	171

1/ The amount of \$182,000 in the FY 1997 Actual Obligations column is the net of \$303,000 savings (budget authority exceeded obligations) in Salary and Benefits, plus \$61,000 savings in travel, less \$182,000 use of prior year balances (obligations exceeded budget authority) in Other Related Expenses.

III. Performance Summary:

FY 1997, FY 1998 and FY 1999 Measurable Performance Activities:

- o Ensure that effective and timely legal services, counsel, and support are provided to the appropriate Departmental elements and to represent the Department as counsel before Federal, State, and other governmental agencies and courts.
- o The Intellectual Property Program expects to process 4,000 - 6,000 actions associated with patents, invention disclosures, and waiver requests for each of the fiscal years, dependent upon funding.

IV. Explanation of Funding Changes FY 1998 to FY 1999:

The increase of \$497,000 in personnel compensation and benefits reflects increases due to a cost of living adjustment and base pay adjustments of \$559,000. This increase is offset by a decrease of \$62,000 due to elimination of costs associated with a buyout program and an \$80 per person VSIP charge.

Travel requirements are expected to decrease by \$39,000.

Support Services increase of \$260,000 is the result of the addition of the Computer/LAN category. Formerly, in FY 1995 through FY 1998 computer/lan costs were provided for from an Interior appropriation which has now been exhausted. Therefore, in FY 1999 funding is required and will provide for four contractor FTE's who provide desktop and network support for General Counsel personnel and the systems they operate.

Other Related Expenses show a net increase in Total Budget Authority of \$160,000. This is the result of a \$330,000 decrease in the Intellectual Property Obligational Authority, a \$53,000 increase in estimated Working Capital Fund expense, and the effect of the use of \$437,000 of uncosted obligations.

Support Services:

Support Services	FY 1997 (\$000)	FY 1998 (\$000)	FY 1999 (\$000)	Change from FY 1998 to FY 1999 (\$000)	Change from FY 1998 to FY 1999 (%)
Technical Support Service					
Intellectual Property	\$100	\$136	\$136	\$0	0%
Computer / LAN	0	0	260	\$260	not applicable
Law Library Personnel	150	100	100	\$0	0%
Subtotal	\$250	\$236	\$496	\$260	110%
Management Support Services	0	0	0	0	not applicable
Subtotal	\$250	\$236	\$496	\$260	110%
Less - Use of Uncosted Obligations	0	0	0	\$0	not applicable
Total Obligational Authority	\$250	\$236	\$496	\$260	110%
Less - Use of Prior Year Balances	0	0	0	\$0	not applicable
Total Budget Authority	\$250	\$236	\$496	\$260	110%

Other Related Expenses:

Other Related Expenses	FY 1997 (\$000)	FY 1998 (\$000)	FY 1999 (\$000)	Change from FY 1998 to FY 1999 (\$000)	Change from FY 1998 to FY 1999 (%)
Law Library - Books	\$300	\$315	\$315	\$0	0%
Training	19	20	20	\$0	0%
Government Agencies - Intellectual Property	650	614	284	(\$330)	-54%
Working Capital	2,860	2,958	3,011	\$53	2%
Other	51	20	20	\$0	0%
Subtotal	\$3,880	\$3,927	\$3,650	(\$277)	-7%
Less - Use of Uncosted Obligations	0	437	0	(\$437)	-100%
Total Obligational Authority	\$3,880	\$3,490	\$3,650	\$160	5%
Less - Use of Prior Year Balances	182	0	0	\$0	not applicable
Total Budget Authority	\$3,698	\$3,490	\$3,650	\$160	5%

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative in whole dollars)

OFFICE OF POLICY AND INTERNATIONAL AFFAIRS

PROGRAM MISSION

The Office of Policy and International Affairs (PO) provides leadership and support to the Secretary and the Department for establishing and improving policies and programs to meet DOE's mission in the areas of energy security, science and technology, environmental quality, and national security. PO accomplishes these functions through analysis of national and international issues, development, coordination and implementation of cross-cutting departmental program activities, and guidance and assistance for strategic planning, budget formulation, and program evaluation.

The GOALS of the PO are to:

1. Ensure attention to energy needs and energy policy perspectives as decisions with significant energy, environmental quality and national security implications are considered by other Departments and agencies.
2. Develop effective and efficient governmental policies and priorities, consistent with the Departmental mission and vision.
3. Ensure effective and consistent implementation and communication of Administration and Departmental policies and priorities.
4. Effectively engage the international community in discussions and actions to advance energy, environmental, and non-proliferation policies through multilateral international agreements and bilaterally with key foreign nations to support U.S. policy goals.

The OBJECTIVES related to these goals are:

1. POLICY DEVELOPMENT: PO identifies, develops and analyzes policy issues, helps define long-term goals, objectives, and priorities; and mobilizes appropriate program offices to participate in these activities.
2. POLICY ANALYSIS: PO provides the Secretary, Deputy Secretary and the Under Secretary independent analysis and program assessment. In this context, PO is deemed independent because they have no vested or parochial interests in specific DOE programs. During the decision-making process, the Secretary is assured of impartial and unbiased policy advice from PO.

3. **POLICY COORDINATION:** PO is the central DOE organization that develops and coordinates domestic and international policy initiatives and strategies on issues that cut across more than one program area. PO prevents "stovepiping" by facilitating the development of integrated and coordinated policy approaches across all of the Department's functions. PO also ensures that DOE is aligned with core national goals and objectives. Ongoing Policy responsibilities include coordination of the Department's international activities.
4. **POLICY COMMUNICATION:** PO provides a policy communication link between DOE and its stakeholders including other agencies, Congress, State and local governments. PO ensures that the views of the White House, Congress, public and private sector organizations, and foreign countries are addressed in the policy making process. PO is the Department's representative on many domestic and international policy initiatives and provides information on Departmental, national and international policies, strategies, and trends.
5. **POLICY OVERSIGHT:** PO ensures that Secretarial policies and priorities are implemented throughout the Department's planning and budgeting processes. These activities include development of the Department's strategic plans, annual performance plans, budgets and the Performance Agreement with the President. PO also ensures secretarial priorities are upheld during the evaluation of program performance against Secretarial commitments and annual performance reporting.

PERFORMANCE MEASURES

1. Leadership in the analysis, policy development, and negotiation processes surrounding global climate change, as measured by number and influence of analyses supporting cost-effective, flexible approaches to mitigation that reflect a realistic appraisal of energy needs and priorities.
2. Effective analysis and advocacy to assure that Federal regulatory activities of other agencies affecting the energy sector are consistent with National energy policies and do not impose unnecessary energy costs on consumers and producers, as measured by the number of analyses completed and comments provided and by the cost savings achieved by changes in regulatory proposals resulting from our interventions.
3. Effective analytical and policy development activities in support of the Administration, Federal Energy Regulatory Commission (FERC), Congress and states to increase reliance on competition in energy markets to benefit consumers while maintaining a sufficient level of environmental protection and high energy reliability, as measured by number and influence of analyses provided and by customer satisfaction.
4. Maintenance and effective utilization of energy modeling capabilities, as measured by success in meeting requests from the Administration and Congress for timely analysis of emerging energy issues.
5. Effective support of U.S. economic, environmental and national security policy goals, as measured by the magnitude of foreign actions or international energy policy, regulatory and legislative actions that are attributable, in part, to Departmental efforts, and by adoption of DOE positions by multilateral organizations.

6. Improved efficiency in the Department's international R&D-related activities as measured by cost savings from collaboration among DOE programs on international activities. Further, effective development and implementation of international research and development agreements, as measured by the number of R&D agreements and/or related modifications concluded and the value of information or experience acquired in support of, and complementary to, domestic R&D programs.
7. Effective analytical and policy development activities in support of the Administration's national security objectives on nuclear materials stewardship, non-proliferation, stockpile stewardship, national security, environmental management, and health and safety of the general public and DOE employees as measured by the number and influence of analyses provided and by customer satisfaction.
8. Effective development of science and technology policies in support of Departmental missions in fundamental science, mission-driven research and development, laboratory missions and management, and international science and technology cooperation, as measured by the number and influence of analyses, papers, meetings, teaming arrangements, task forces, workshops, reports, publications, and other means of communicating and effecting policy formulation and change in the Department's science and technology policies and programs.
9. Effective implementation of the DOE Strategic Management System, as measured by the degree to which the Department's program strategic plans and individual performance evaluation standards reflect the priority goals from the Department's Strategic Plan and the degree to which the Department's Strategic Plan, budget, Annual Performance Plan, and Annual Performance Report are aligned. Further success will be ensured by the satisfaction of Congressional and OMB stakeholders that the Department is in full compliance with the Government Performance and Results Act of 1993.

DEPARTMENT OF ENERGY
FY 1999 OMB BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

OFFICE OF POLICY AND INTERNATIONAL AFFAIRS

- I. Mission Supporting Goals and Objectives:** In this era of radically shifting priorities and sharply reduced budgets, the Secretary and the Department increasingly rely on the Office of Policy and International Affairs (PO) to establish clear goals, develop policies, analyze policy impacts, mobilize resources, and launch new initiatives to reduce the cost and enhance the effectiveness of DOE programs. The objectives of the Office of Policy and International Affairs are to: identify and develop policies based on sound analysis that support the Department's vision and fulfill the Department's mission; provide accurate and unbiased analysis of existing and prospective policies in the areas of energy, environment, science and technology, and national, economic, energy and environmental security; ensure attention to energy needs and perspectives as decisions with significant energy implications are considered by other departments and agencies; ensure effective communication of Administration and Departmental policies, priorities, objectives, and measurements; to advance energy, environmental, and non-proliferation policies in international agreements; and to promote positive relationships with foreign nations that support U.S. policy goals.

SALARY and BENEFITS provides funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, the Department's FICA contribution, unemployment and workman's compensation, health benefits, thrift savings plan, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, and permanent change of station moves.

TRAVEL funds staff transportation to field sites to participate on task teams that impact Departmental initiatives and other areas relative to domestic and international energy, science and technology, environmental, and non-proliferation policies. These funds also allow employees to attend conferences and training workshops.

SUPPORT SERVICES includes technical and management support.

OTHER RELATED EXPENSES provides funding for working capital expenditures, subscriptions, telephone credit cards, pagers, portable phones, interpreters, ADP hardware and software acquisition, LAN administration, international phone charges, budget and accounting systems maintenance and training.

II. Funding Schedule:

<u>Activity</u>	<u>FY 1997 Current Appropriation</u>	<u>FY 1998 Original Appropriation</u>	<u>FY 1998 Adjustments</u>	<u>FY 1998 Current Appropriations</u>	<u>FY 1999 Request</u>
Salary & Benefits	\$12,605	\$11,423	\$0	11,423	\$11,463
Travel	484	507	52	559	537
Support Services	0	0	0		
Other Related Expenses	3,522	3,620	0	3,620	3,449
	-----	-----	-----	-----	-----
Total, Program Direction	16,611	\$15,550	\$52	15,602	\$15,449
Policy Analysis & Systems Studies	500	500	122	622	500
Environmental Policy Studies	2,500	1,750	186	1,936	2,500
	-----	-----	-----	-----	-----
Total, Program Support	\$3,000	\$2,250	\$308	\$2,558	\$3,000 _{a/}
Subtotal, Obligational Authority	\$19,611	\$17,800	\$360	\$18,160	\$18,449
	=====	=====	=====	=====	=====
Use of Prior Year Balances	271	0	(360)	(360)	0
Total, Budget Authority	19,882	17,800	0	17,800	18,449
Full Time Equivalents	130	114		114	114

_{a/} Support services is estimated at \$1,372,000 of total program support funds.

III. PERFORMANCE SUMMARY

FY 1997 Accomplishments:

Examples of major activities undertaken in FY 1997 include:

1. Oil Security and Fuels Policy

- Completed assessments of factors that could be contributing to seasonal volatility in petroleum product prices, especially motor gasoline, heating fuel and propane prices.
- Completed an interagency assessment of the relative health risks of oxygenated and unoxxygenated gasolines, and initiated an analysis of the impact of new fuel quality requirements on U.S. refinery investment and product deliverability.
- Completed the second phase of a Congressionally mandated cost-benefit analyses of a possible transition to a market involving significant use of alternative fuels for vehicles and distribution of a draft final report for peer review.
- Completed a reassessment of the cost of Federal Phase II Reformulated Gasoline and initiated a study of the costs of nationwide low sulfur gasoline.

2. Pollution and Climate Change

- Continued analysis to assure that greenhouse gas reduction commitments are based on a realistic appraisal of U.S. energy needs, the likely public and private costs of reducing greenhouse gas emissions, and up-to-date analysis of global energy and emissions trends.
- Estimated the costs and potential benefits of broad range policies and measures to reduce energy-related emissions of greenhouse gases.
- Completed an assessment of the potential impact of higher energy price scenarios on the competitive position of six energy-intensive industries.
- Participated in and provided materials for the Climate Action Report 1997.
- Continued analysis and interagency dialogue on key regulations with substantial energy implications, including new EPA ambient air quality

standards for smog and particulate and regional haze regulations.

- Continued analysis to assure that EPA analyses of mercury and other toxic emissions from electricity generation that were withdrawn in FY 1996 as a result of DOE and other agency analyses are reissued only with improved scientific basis.
- Developed U. S. positions for international protocols regarding nitrous oxides, persistent organic pollutants, and heavy metals that fall within current U. S. requirements and emphasize performance-based rather than technology-based approaches.
- Initiated study to estimate costs of improving auto fuel economy using proven and new technologies.
- Contributed to analysis of cost-effective Superfund policies.

3. Electricity and Natural Gas Markets

- Continued further analysis of electric industry restructuring to estimate effects of industry changes on future energy security, reliability of supply, and financial and environmental implications.
- Promoted the development of Federal legislation and regulations that provide a framework for a more efficient electric power industry based on competitive markets.
- Sponsored the Electricity and Natural Gas Forums in cooperation with NARUC (the association of state utility commissioners) to provide an opportunity for dialogue between electricity and gas producers, transporters, and distributors, with state and Federal regulators, agencies, and legislators.

4. Integration of Energy, Economic and Environmental Policies

- Analyzed the effects of existing EPA regulations implementing requirements for the introduction of reformulated gasoline and worked with EPA to make two major changes so as to avoid unnecessary cost and market disruptions while achieving environmental objectives.
- Analyzed the impact that alternative greenhouse gas emission reduction policies have on U. S. Economic competitiveness and employment patterns.
- Ensured that DOE effectively implemented new procedures for the development of updated standards for refrigerators, clothes washers, water heaters, room air-conditioners and other products that deliver substantial net benefits for consumers and the Nation, with minimal

adverse impacts on manufacturers.

5. International Energy Policy

- Developed and implemented the policy and regulatory incentives for private investment in the energy sector of APEC economies, Latin America, the Caspian Region, the Middle East and other major emerging markets through strengthened relationships with the U.S. financial and business communities.
- Furthered the communication of U.S. policies on economic competitiveness, the global environment and national security through Ministerial meetings at the International Energy Agency and APEC.
- Developed and implemented the policy and strategy for increasing U.S. market share in China's energy sector in conjunction with White House efforts.
- Conducted bilateral energy consultations to address economic, environmental and national security challenges arising from energy development in China, India, Indonesia, Japan, Korea, Australia, Saudi Arabia, Mexico, Venezuela, Norway and other regions of the world.
- Conducted under the auspices of Vice Presidential-led binational commissions, bilateral energy consultations with China, Russia, South Africa and Ukraine to develop policy and regulatory incentives to open markets for energy technologies, and further national security and environmental goals.

6. Science and Technology Policy

- Expanded and refined the Department-wide prioritization of energy R&D, incorporating R&D portfolio analysis with strategic planning and budgeting to maximize cost-effectiveness. Integrated the science and technology forecasting into DOE science and technology policy development and budget formulation process.
- Continued implementation of the recommendations of the National Laboratory System (Galvin Task Force) and Strategic Energy Research and Development (Yergin Task Force), including the reduction of R&D management overhead costs to achieve the Yergin 15 percent reduction target and a study of alternative financing of R&D.
- Our longest-standing Peaceful Uses of Atomic Energy agreement--with Russia--has been extended beyond June 1997. Negotiation of a

renewal or new PUAЕ is critical to non-proliferation and other key goals of the Gore-Chernomyrdin commission.

- Updated Departmental international R&D agreements database and converted to a new database platform to reduce time needed to generate reports and to facilitate analysis of data.
- Completed reviews of 50 case studies of innovative financing mechanisms supporting research and development in the public interest, as funded or leveraged by non-traditional means.
- Completed workshop, technology status review, and R&D needs assessment of fuels decarbonization and carbon sequestration technologies, as potentially plausible paths for mid-term transitional technologies for mitigating global climate change.

7. Strategic Planning and Program Evaluation

- Published the Annual Performance Report for FY 1994 and FY 1995 aligned with the Strategic Plan and the FY 1995 Performance Agreement with the President.
- Implemented the Government Performance and Results Act of 1993 ahead of schedule: published performance plan for FY 1998 (required for FY 1999) and implemented performance reporting for FY 1996 (required for FY 1999).
- Executed a Performance Agreement with the President for FY 1997.
- Conducted an extensive review of the Department's first Strategic Plan and developed guidelines and improvements to support the development of future Strategic Plans.
- Published the Department's second Strategic Plan that conformed with and exceeded the requirements of the Government Performance and Results Act of 1993.
- Published the Annual Performance Report for FY 1996 in time to support the development of the Department's second Strategic Plan, which was published for FY 1998.
- Conducted program evaluations and issue analysis in support of budget decision making for the FY 1999 budget.

- Managed and improved the Department's Strategic Management System linking strategic planning, performance planning, budgeting, performance management, and performance reporting from the Departmental level down to the employee and contract level.

8. National Security, Materials Management, and Energy and Environmental Security

- Conducted Department wide nuclear materials management conferences and established Nuclear Material Stewardship (NMS) Network. Release draft issues, tools, and data bases information guide for nuclear materials stewardship based on the proceedings of the NMS program at Lawrence Livermore National Laboratory.
- Supported the further development and implementation of Departmental policy which coordinates asset management programmatic elements in order to reduce the budget deficit and streamline DOE operations.
- Completed development of DOE complex-wide framework for addressing environmental security and initiated cooperative monitoring and environmental security center projects.
- Established joint action plans to address nuclear contamination in NW Russia.
- Completed U.S. contributions to the IEA study on security and reliability issues pertaining to the U.S. natural gas distribution infrastructure. The report examined some of the national security implications of supplementing domestic gas supplies by importing liquified natural gas from the Middle East.

FY 1998 Accomplishments (to date and planned):

Examples of major activities planned for FY 1998 include:

1. Oil Security and Fuels Policy

- Complete an assessment of the cost and refinery investment requirements of a national low sulfur gasoline requirement as support to Tier II motor vehicle emissions standards.
- Start an analysis of the capability of the U.S. refinery system to produce reformulated diesel fuel to support the PNGV technology development program.

- Support a Departmental reassessment of the alternative fuels policies enacted by the Energy Policy Act and Clean Air Amendments in light of their actual impacts on vehicle purchases and fuel sales.
- Evaluate the effects of oil product price volatility and the development of public policy measures to minimize adverse effects.
- Complete the National Petroleum Council study of refined product inventory levels and trends and initiate an NPC study of product deliverability and U.S. refinery viability.

2. Pollution and Climate Change

- Assess the significant challenge of emissions reduction and promote the adoption of realistic, flexible, and cost-effective approaches to greenhouse gas mitigation at the third conference of the parties to the U.N. Framework Convention on Climate Change in Kyoto, Japan in December 1997. Continue to play an active role in international climate change negotiations to ensure that implementation of the Kyoto Protocol is practical and feasible for the United States.
- Complete assessments of the costs and potential benefits of a broad range policies and measures to reduce energy-related emissions greenhouse gases.
- Develop mechanisms to take advantage of provisions allowing for flexibility in the timing and location of emissions reductions to greatly reduce the adverse energy impacts of greenhouse mitigation commitments, especially emissions trading, joint implementation, and the Clean Development mechanism.
- Develop of mechanisms, based on ongoing assessment of policy options, to take advantage of provisions allowing for flexibility in the timing and location of emissions reductions to greatly reduce the adverse energy impacts of greenhouse mitigation commitments, especially emissions trading and joint implementation.
- Continue analysis and interagency dialogue on key domestic regulatory issues with substantial energy implications, including criteria pollutants (smog, particulates, regional haze) and air toxics.
- Continue study of costs of proven and new fuel economy technologies and completing analyses of at least one conventional and one advanced automotive technology.

3. Electricity and Natural Gas Markets

- Facilitate electricity and natural gas policy development at the state and Federal level. The restructuring of wholesale and retail markets for electricity, and continuing opportunities for reform in retail natural gas markets, have significant potential to promote efficient and competitive supply of energy to American business and consumers. Examples of planned activities include:
 - Perform integrated analyses of electric power industry restructuring to derive the impact on environmental emissions, stranded assets, electricity demand, and Prices. Calculate the cost of a renewable portfolio standard. Evaluate the impact that competition is having on electricity pricing and the impact that alternative pricing mechanisms are having on customer demand.
 - Continue analytical studies of electric industry restructuring in order to estimate effects of industry changes on future energy security, reliability of supply, and financial and environmental implications.
 - Continue ongoing Electricity and Natural Gas Forums in cooperation with NARUC (the association of state utility commissioners) to provide an opportunity for dialogue between electricity and gas producers, transporters, and distributors, with state and Federal regulators, agencies and legislators.
 - Continue promotion of the development of Federal legislation and regulation that provide a framework for a more efficient electric power industry based on competitive markets.
 - Analysis to assure that efficiency standards for electric and gas appliances are developed and based on analyses consistent with the effects of restructuring.

4. Integration of Energy, Economic and Environmental Policy

- Continue to determine the impact of environmental and energy policies on indicators such as employment, gross output, and the competitiveness of energy intensive industries through economic and energy modeling studies.

5. International Energy Policy

- Implement U.S. international energy initiatives in multilateral and bilateral fora (including Asian Pacific Economic Cooperation, International Energy Agency, Summit of the Americas) in order to: increase initiatives aimed at energy policy and regulatory reform; accelerate deployment and remove barriers to environmentally sound technologies; strengthen energy security programs; and enhance outreach to key emerging markets.

- Development and implementation of Department-wide regional energy trade and investment strategies aimed at promoting energy policy and market reform, U.S. industry investment and sustainable energy programs and nuclear non-proliferation policies. These activities will continue support for:
 - the Energy Committees of the Binational Commissions for Russia and South Africa,
 - carry forward initiatives under the partnership for Sustainable Energy Use of the Summit of the Americas,
 - continue leadership role in the Energy Working Group of the Asia Pacific Economic Cooperation forum,
 - continue comprehensive energy engagement with China and India,
 - continue the identification of needed issues and reforms in member countries of the European Union,
 - support energy restructuring, market reform and energy security efforts in Eastern Europe and the NIS, and
 - continue bilateral initiatives that target key countries in each region.
- Identify innovative policy for promoting investment and financing in sustainable energy projects, working with multi-lateral, bilateral and commercial institutions.

6. Science and Technology Policy

- Finalize the implementation of the National Laboratory System (Galvin Task Force) and Strategic Energy Research and Development (Yergin Task Force) recommendations.
- Expand and refine Departmental R&D databases resulting in a coordinated policy governing the collection of R&D data, national laboratory and other contractor data interfaces, and related public access issues.
- Complete coordinating Department-wide prioritization of R&D, incorporating R&D portfolio analysis with strategic planning and budgeting to maximize cost-effectiveness.
- Complete report by the Departmental Coordinating Committee on International R&D on DOE's international R&D activities under the leadership of the Office of Policy.
- Create public access to DOE international R&D agreements database by making data accessible via the Internet (DOE Home Page).
- Develop a methodology for systematic portfolio analysis of applied energy R&D programs, for use by senior R&D managers in linking R&D investments to strategic objectives.
- Conduct a workshop, technology status review, and research needs assessment on emerging technologies for natural gas hydrates in the continental sea floor.

- Develop Department-wide recoupment policy for successfully commercialized technologies, whose R&D was supported by Department's R&D programs, per recommendation of the General Accounting Office.

7. Strategic Planning and Program Evaluation

- Prepare a Performance Plan for FY 1999.
- Develop a Performance Agreement with the President for FY 1998 and report results against the Performance Agreement for FY 1998.
- Unify reporting requirements of the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, and the Department's organizational act beginning with the Annual Performance Report for FY 1997.
- Conduct program evaluations and issue analysis in support of budget decision making.
- Manage and improve the Department's Strategic Management System linking strategic planning, performance planning, budgeting, performance management, and performance reporting from the Departmental level down to the employee and contract level.
- Develop the biennial National Energy Policy Plan as required by statute. Reflecting policy analysis and programmatic efforts throughout the Department, the plan will outline sustainable, market-based energy policies that promote energy security and environmental progress while meeting American consumers and business energy needs at competitive prices.

8. National Security, Materials Management, and Energy and Environmental Security

- Complete Department-wide nuclear materials management strategy and plan.
- Complete studies on the proliferation/non-proliferation impacts of nuclear waste practices and nuclear infrastructure changes in all countries with nuclear facilities, with special attention to Russia.
- Establish a DOE-wide strategic plan in support of environmental security objectives and a Departmental capability to analyze causes and alternative solutions to environmental concerns. Program offices and laboratories will join with foreign governmental partners in addressing environmental concerns affecting regional stability and development. Effort will establish framework for interagency cooperation in the Baltic States and in the Middle East on regional environmental concerns.
- Support the further development and implementation of Departmental policy which coordinates asset management programmatic elements in order to reduce the budget deficit and streamline DOE operations.

- Integrate Nuclear Materials Stewardship (NMS) into DOE strategic and program planning and publish NMS workshop proceedings as seminal situational analysis on status, issues and opportunities facing U.S. for nuclear materials.
- Conduct analysis of Year of the Oceans initiatives and continuous support of the Year of the Oceans interagency activities.
- Further integrate national security, environmental security and energy security into DOE strategic planning.

FY 1999 Planned Accomplishments:

1. Oil Security and Fuels Policy

- Complete a broad review of the energy security concerns facing the United States and existing strategies for responding to these concerns.
- Complete a reassessment of the established alternative fuels policies and, if necessary, develop and assess modifications to these policies to improve their overall effectiveness.
- Evaluate the effectiveness of government policies affecting oil product markets, and develop and assess strategies for increasing the effectiveness of these policies, while minimizing any possible adverse effects.
- Complete a broad-based assessment of U. S. Refining capacity and productivity deliverability.
- Based on the results of work by NPC and independent analyses, support EPA in the development of new rules to improve the quality of conventional gasoline, without damaging the U.S. refinery system.

2. Pollution and Climate Change

- Perform integrated analyses of alternative proposals to reduce greenhouse gas emissions as proposed for achieving U. S. commitments made under the Kyoto Protocol in 1997. Assess the potential cost and other effects of proposals. Participate in design of guidelines and modalities of aspects of the Kyoto Protocol. Continue participation in the analytical development of the Third Assessment Report of the Intergovernmental Panel on Climate Change.
- Continue analysis and interagency dialogue on key domestic regulatory issues with substantial energy implications, including measures to attain applicable ambient air quality standards and air toxics reductions.
- Complete fuel economy technology cost study and assess implications for the costs of achieving international commitments to reduce greenhouse gas emissions.

- Assess National laboratories modeling capabilities for predicting the economic and environmental impact of policies that affect international energy production and consumption.

3. Electricity and Natural Gas Markets

- Perform studies of market power in a restructured electricity industry and the potential impacts of expanded competition in electricity markets on Federal power entities.
- Evaluate the impact that electric power industry restructuring has had in states where restructuring has already begun.
- Continue ongoing Electricity and Natural Gas Forums in cooperation with NARUC (the association of state utility commissioners) to provide an opportunity to dialogue between electricity and gas producers, transporters, and distributors with state and Federal regulators, agencies, and legislators.

4. Integration of Energy, Economic and Environmental Policies

- Support sector-specific, technology-specific, and equilibrium models of the U. S. Energy market for use in environmental, market restructuring and fiscal policy analyses.
- Analysis to assure that efficiency standards for electric and gas appliances, including clothes washers, water heaters, electricity transformers, and central air conditioners, are developed based on sound economic analysis, analyses consistent with the effects of restructuring, and continuing consultations with all interested parties.
- Complete interagency efforts to effectively implement its Phase II reformulated gasoline regulations in order to minimize unnecessary costs and market disruptions, while achieving environmental objectives.

5. International Energy Policy

- Implement U. S. International energy initiatives in a variety of fora, including multilateral and bilateral, with a focus on Asian Pacific Economic Cooperation, International Energy Agency, Summit of the Americas, among others, to: 1) develop initiatives for energy policy and regulatory reform; 2) accelerate development and reduce barriers to environmentally sound technologies; and 3) strengthen energy security programs; and improve outreach to key emerging markets.
- Develop and implement Department-wide energy trade and investment strategies focused on promoting regional energy policies and market reforms, as well as nuclear non-proliferation policies. These activities will support for the Energy initiatives of the binational Commissions of Russia, South Africa, and Ukraine; continue initiatives under the partnership for Sustainable energy Use of the Summit of the Americas;

continue the U. S. leadership role in the Energy Working Group of the Asia Pacific Economic Cooperation forum; continue comprehensive energy engagement with China and India; continue working with member countries of the European Union and the Southeast Europe Cooperative Initiative on a variety of energy related policies and reforms; continue U. S. involvement in energy issues in the Middle East; support energy restructuring, market reform and energy security efforts in Eastern Europe and the NIS; and continue bilateral initiatives that focus on key countries in each region.

- Identify innovative policies for promoting investment and financing in sustainable energy projects, working with multilateral, bilateral and commercial institutions.

6. Science and Technology Policy

- Develop policy proposals and conduct related policy studies concerning the expanded authorization and use of innovative R&D financing mechanisms to supplement and/or leverage Federal appropriated funds for R&D in the public interest. Guide and implement the Department's policies recoupment for successful commercialization of technologies, and other ways to further reduce the costs and burdens of R&D management.
- Develop Department-wide policy guidelines for evaluating R&D programs, including a system of merit review by peer evaluation, in a continuing and evolving response to the Government Performance and results Act.
- Establish and refine the use of R&D portfolio analysis in linking R&D budget development to strategic objectives in order to guide future investments.
- Analyze energy security, environmental and reliability implications of the current trends in restructuring in the electric power industry, and identify R&D needs for ensuring that our policy goals in these areas are met.

7. Strategic Planning and Program Evaluation

- Implement a managerial accountability and responsibility framework through formal Performance Agreements between the Secretary and his direct reports.
- Prepare and publish a FY 1999 Performance Agreement with the President or revision to the Performance Plan after the budget is enacted by Congress to reflect changes.
- Manage all Departmental Government Performance and Results Act activities, including:
 - Develop and publish the annual Update of the DOE Strategic Plan,
 - develop and publish the Annual Performance Plan, and

- track performance data and publish annual Performance Report.
- Manage and improve the Department's Strategic Management System linking strategic planning, performance planning, budgeting, performance management, and performance reporting from the Departmental level down to the employee and contract level.
- Conduct zero based program evaluations for one third of Departmental programs and perform issue analysis in support of budget decision making.
- Manage the development of crosscutting Strategic Plans (e.g., International Programs, Environmental Security, etc.).

8. National Security, Materials Management, and Energy and Environmental Security

- With DOE program offices and laboratories expand the number of domestic contributors to international environmental security projects to include NGO's academia, and private sector. Examine and expand as appropriate to new international partnerships and projects.
- Coordinate the Implementation of a Department-wide nuclear materials Management plan.
- Complete a strategy to monitor and continually assess the proliferation/non-proliferation impacts of changing nuclear waste practices and nuclear Infrastructure change in all countries with nuclear facilities.
- Expand the established environmental security capability and network to include interagency approach to identifying internationally destabilizing situations before they become confrontational; and to cooperate with affected countries to develop peaceful solutions within the framework of "Joint Action Plans".
- Establish annual reporting on the status, issues and opportunities for nuclear materials management in the U.S.
- Support the implementation of Departmental policy which coordinates asset management programmatic elements in order to reduce the budget deficit and streamline DOE operations.

EXPLANATION OF FUNDING CHANGES FROM FY 1998 to FY 1999:

The increase of \$40,000 in PERSONNEL COMPENSATION AND BENEFITS reflects an increase due to cost of living adjustments (\$253k) offset by decreases due to the elimination of the buyout program and the \$80 per person VSIP charge (\$213).

The Travel increase of \$30,000 will be required in FY99 to handle the negotiation of emission trading regimes around the globe. With the investment of additional travel resources, PO has the opportunity to make significant improvements in both the economic opportunities presented by these foreign markets and the environmental standards which govern this new development.

The Other Related Expenses decrease of (\$171,000) is primarily due to PO no longer requesting funding for its overseas offices; offices and expenses were transferred to the Office of Nuclear Energy, Science and Technology and the Office of Nonproliferation and National Security.

The Program Support increase of \$442,000. This reflects an increase of \$750,000 for continued plans for analytical efforts on the Administration's climate change initiative. In FY 99, the environmental issues affecting the Department and its stakeholders will be increasingly related to the implementation of U.S. commitments in Global Climate Change particularly in light of the recent climate change negotiations in Kyoto, Japan, and other areas such as Ozone and Nox standards. Increased analysis will be necessary to ensure the policies guarantee environmental benefits while limiting negative effects on the U.S. economy. The analysis is crosscutting and could have far-reaching impacts on DOE activities in most program elements. This \$750,000 is offset by the use of prior year balances (\$308,000) for the same type of efforts in FY 1998 .

Total	+\$683,000
-------	------------

Other Related Expenses	FY 1997 (\$000)	FY 1998 (\$000)	FY 1999 (\$000)	FY 199/98 Change (\$000)
Other Related expenses				
Training	\$70	\$70	\$70	\$0
Working Capital Funds	2,414	2,779	2,779	\$0
Purchases from Government Accounts 1)	600	589	600	11
Other 2)	387	182	0	(182)
Subtotal Other Related Expenses	\$3,471	\$3,620	\$3,449	(\$171)

- 1) Includes non-working capital expenditures for subscriptions, telephone credit cards, pagers, portable phones, interpreters, ADP hardware and software acquisitions, LAN administration, international phone charges, and budget and accounting systems maintenance.
- 2) The Policy Office **no** longer requests funding for overhead charges for State Department reimbursement for International Cooperative Administrative Support Services (ICASS) for DOE overseas offices in Moscow, Russia, Paris, France, and Tokyo, Japan. Offices were transferred to the Office of Nuclear Energy, Science and Technology and the Office of Nonproliferation and National Security.

U.S. DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

ECONOMIC IMPACT AND DIVERSITY

PROGRAM MISSION

The Office of Economic Impact and Diversity (ED) is mandated by various legislation and Executive Orders to advise the Secretary of Energy on the impacts of energy policies, programs, regulations, and other Departmental actions on minority communities, minority educational institutions, and small minority and women-owned business enterprises. The mandates require: (a) conducting a Socioeconomic Research and Analysis Program to develop and assess energy consumption data and integrate the data with the National Energy Modeling System to provide equity determinations, (b) providing Management and Technical Assistance Programs to support minority educational activities focused at various levels of the educational pipeline and provide technical and scientific educational capabilities to achieve a more productive economy, (c) providing technical training and financial assistance and small business assistance programs to enhance economic development capabilities. The Civil Rights Act requires the Department to implement an equal employment opportunity and affirmative action program that conducts EEO counseling and investigates complaints of discrimination, and oversee the Department's whistleblower reform initiatives. This Office also leads the Department's Strategic Plan for Diversity and its Special Emphasis Program activities by sponsoring commemorative training and ethnic heritage awareness. To augment program assistance efforts, the Minority Energy Information Clearinghouse serves as a centralized repository and dissemination point.

The Office devises and leads multi-faceted programs and activities as it recognizes the fact that our Nation's ability to compete in a global economy depends on the development of our national resources among all segments of the population. The goals and objectives of ED are focused to contribute to our Nation's Energy Security objectives and world competitiveness.

The GOALS of the ED program are to:

- Become a recognized leader among Federal agencies in managing diversity as a strategic imperative.
- Implement a comprehensive agency-wide scientific research and education program for the participation of minority educational institutions in Department of Energy missions and functions.
- Conduct ongoing research programs to determine the effects (including the socioeconomic and environmental effects) of national energy programs, policies, and regulations of the Department on minorities.

- Bolster and develop effective financial business incentives and initiatives to encourage minority financial institutions to link with business enterprises in facilitating long-term economic development.
- Implement the Department's whistleblower reform initiative. Continues support for the Employee Concerns Program to streamline the Department's resolution process and investigate reports of reprisals.
- Ensure that the Department is effectively addressing the provisions of Executive Order 12898 and that environmental justice strategies are being implemented in an effective manner.
- Ensure equitable opportunities for small, minority, and women-owned businesses to compete for contracts and subcontracts.
- Uphold the Department's responsibilities to provide equal employment opportunity within the workplace.

The OBJECTIVES related to these goals are to:

- **CONTRIBUTE TO OUR NATION'S ENERGY SECURITY AND INDUSTRIAL COMPETITIVENESS** - Design initiatives for scientific training and research programs in the mathematics and science disciplines; support the development of research and educational infrastructure at Historically Black Colleges and Universities (HBCUs) and minority educational institutions; establish synergistic linkages with industry and the national energy laboratories which will increase the technical capabilities of the labor force in the energy industry; and improve the current critical deficient levels. Utilize socioeconomic databases and quantitative analytical models to assist the Department in identifying and implementing credible policy options which could soften the adverse impacts of energy policies on the under represented population.
- **CONTRIBUTE TO THE ENHANCEMENT OF MINORITY EDUCATION** - Supports the research and educational infrastructure at secondary and post secondary educational institutions; invest in human resources at all levels of the educational curriculum through improved scientific training and research experiences in mathematics, science, and engineering for both teachers and students; utilize the resources of Federal and private sector laboratories and energy technology industries.
- **PROMOTE THE GROWTH OF BUSINESS ENTERPRISES** - Support economic incentives for small and disadvantaged, women-owned and minority businesses through focused linkages with government-funded programs, such as the Small Business Administration and the Small Business Innovative Research Programs, and to facilitate long-term investments.

- **CONTRIBUTE TO THE DEPARTMENT'S COMMITMENT TO A POLICY OF "ZERO TOLERANCE"** - Implement guidance and policy, and investigate cases of reprisal against employees who raise environmental, health and safety, security and human resources issues. Implement 10 point Civil Rights Plan.

PERFORMANCE MEASURES:

- Fairness and equity in the contracting process.
- Shared vision of diversity throughout the Department by assuring workforce diversity.
- Increase in the Department's support of Historically Black Colleges and Universities, and other minority educational institutions to improve institutional infrastructure, support scientific research, and provide state-of-the-art research equipment as part of the overall support for minority scientists, engineers, and educational institutions.
- Increase the Department's procurement use of small, minority, and women-owned businesses by the laboratories, facilities, field organizations, and Headquarters.
- Increase the contribution of the research program to the National Energy Modeling System and the Annual Energy Outlook and incorporate equity and socioeconomic characteristics in these departmental analyses.
- Increase the level of satisfaction with the amount of environmental justice strategies implemented by the Department to address the communities impacted by our facilities and programs.
- Develop a model Employee Concerns Program that will promote open communication between management and employees to facilitate full, fair, and final resolution of employee concerns and "whistleblower" cases.
- Affirm DOE's responsibility to provide equal employment opportunity and affirmative employment policies.
- Improve business and economic competitiveness by developing and maintaining initiatives to stimulate and further partnerships among minority financial institutions and minority communities.
- Form partnerships between minority educational institutions and private industry to facilitate electric power development projects in targeted developing countries.
- Expand academic technology programs and innovate curriculum offerings that help to better prepare students for employment.

DEPARTMENT OF ENERGY
ECONOMIC IMPACT AND DIVERSITY
FY 1999 CONGRESSIONAL BUDGET REQUEST
(\$ THOUSANDS)

ECONOMIC IMPACT & DIVERSITY

I. Mission Supporting Goals/Ongoing Responsibilities:

The goals of the Office of Economic Impact and Diversity are **to** become a recognized leader among Federal agencies in managing diversity as a strategic imperative, **to** ensure equitable opportunities for small, minority, and women-owned businesses to compete for contracts and subcontracts, **to** promote collaborative efforts with educational institutions, Federal agencies, and energy industry organizations to establish state-of-the-art research and development centers of excellence at the universities, **to** conduct ongoing research programs to determine the effects (including the socioeconomic and environmental effects of national energy programs, policies, and regulations of the Department on minorities); **to** ensure that the Department is addressing the provisions of Executive Order 12898 and that the environmental justice strategies are being implemented in an effective manner; **to** partnership with minority educational institutions, businesses, and financial communities in order to enhance their upward occupational, economic and social mobility; **to** implement the Civil Rights Act; **to** enforce affirmative employment programs; and **to** implement the Department's nationwide whistleblower reform initiatives. **Outputs:** (1) Develop and maintain the framework and mechanisms for an aggressive Department-wide 10-Point Civil Rights, Affirmative Employment, and Equal Opportunity Plan; and (2) establish and implement uniform employee concerns policies for resolution of environmental, health and safety, and human resources disputes. **Outcomes:** (1) Monitor the results of the 10-Point Civil Rights Plan with regard to hiring, promotions, training, and equitable treatment; (2) ensure DOE Federal and contractor employees have effective means of voicing health, safety, environment, fraud, waste, abuse, whistleblower retaliation concerns; (3) avoid prolonged and costly litigation through the use of alternative dispute resolution, including mediation; and (4) greater management tools to assess effectiveness of employee concerns program to ensure employee concerns are considered fully, fairly and timely.

Program Direction has been grouped into four categories:

Salary and Benefits provide funding for full-time permanent and other than full-time permanent employees in the following classes: Salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees, workman's compensation, and buyout compensation. A funding level of \$3,795,000 will be needed to maintain 44 full-time equivalent staff positions (12 FTEs will implement the Minority Economic Impact Programs; 9 FTEs will provide Small and Disadvantaged Business Utilization support activities; 3 FTEs will fulfill whistleblower reform initiatives; and 20 will support Civil Rights functions).

Travel provides funding in the amount of \$116,000 to perform site visits regarding Research Program activities, minority educational institution assistance program activities, to conduct employee discrimination complaint investigations, to meet with minority business enterprises' communities and financial institutions, to provide support on diversity-related trips, to sponsor the small and disadvantaged business management and technical assistance outreach activities, and to investigate unsafe and unhealthy whistleblower reports from Field Office employees.

Other Related Expenses total funding of \$908,000 of which \$198,000 which will be used for investigating and reviewing employees discrimination complaints cases; sponsoring small and disadvantaged business exhibits, conference materials and other outreach activities; and implementing training and preparing fact-finding reports for whistleblower reform initiatives. In addition \$710,000 provides funding for the **Working Capital Fund** which supports utilities, telephone, rents, supplies, equipment, printing, graphics, copying, postage, etc.

II. Funding Schedule:

	FY 1997 Actual Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Request
Personnel Comp and Benefits	\$3,789	\$3,554	\$106	\$3,660	\$3,795
Travel	118	86	0	86	116
Support Services	0	0	0	0	0
Other Related Expenses	842	713	0	713	908
Subtotal, Program Direction	\$4,749	\$4,353	\$106	\$4,459	\$4,819
Minority Economic Impact Programs	\$1,359	\$1,650	\$299 <u>2/</u>	\$1,949	\$1,880
Total Obligations	\$6,108	\$6,003	\$405	\$6,408	\$6,699
Use of Prior Year Balances	-54 <u>1/</u>	0	-405	-405	0
Total Budget Authority	\$6,054	\$6,003	\$0	\$6,003	\$6,699
FTEs:	44	44	0	44	44

1_/ Use of prior year balances of \$54k is a net amount comprised of \$27k in travel increases; \$177k increase in the use of balances in the WCF, offset by a miscellaneous savings in salary of \$9k plus \$141k carryover in Program Support.

2_/ Reflects the use of prior year balances. See the Program Support Summary for funding details.

Public Law Authorizations:

P.L. 95-619, "National Energy Conservation Policy Act" (NECPA - 1978) Section 641 of (42 U.S.C. 7141)

P.L. 95-507, 92 Stat. 770, Small & disadvantaged Business Utilization

P.L. 88-351, Title VII of the Civil Rights Act of 1964, as amended

Executive Orders:

12898 "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations"

12876 "Historically Black Colleges and Universities"

12900 "Educational Excellence for Hispanic Americans"

13021 "Tribal Colleges and Universities"

II. Funding Schedule: B

Other Related Expenses Breakdown	FY 1997 Actual Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Request
Civil Rights	\$ 97	\$ 120	0	\$ 120	\$ 145
Minority Economic Impact	7	10	0	10	15
Small & Disadvantaged Business	10	10	0	10	15
Employee Concerns	40	10	0	10	23
Subtotal, Other Services	\$ 154	\$ 150	0	\$ 150	\$ 198
Working Capital Fund	\$ 688	\$ 563	0	\$ 563	\$ 710
TOTAL: Other Related Expenses	\$ 842	\$ 713	0	\$ 713	\$ 908

III. Performance Summary:

FY 1997 and FY 1998 Measurable Performance Activities:

- Updated the disaggregate information for the Annual Energy Forecast for the Socioeconomic Research and Analysis Program (SERAP) Distributive Impact Assessment Model (DIAM) databases and analytical capabilities and provided it to the EIA to enable explicit assessments of potential energy policy on consumption, employment, and income of various population groups. Detailed analysis for relevant issues and forecasts such as equity determinations, and electric utility restructuring will be facilitated with relevant technical documentation which has been peer-reviewed.
- A PC-Windows version of the DIAM was completed and is currently being Beta tested and validated.
- Initiated critical dialogue with the National Institutes of Health, the Chemical Manufacturing Association, and the medical community towards establishment of a realistic approach for the integration of environmental justice issues, public health procedures, medical concerns, and future land use planning. Completed the sixth regional fact-finding workshop of the collaborative research effort with the National Academy of Sciences' Institute of Medicine Committee on research, education, and health policy needs for communities adversely impacted by environmental justice issues.

- Developed a SERAP Home Page incremental work on the database development and analysis activities relating to the Minority Energy Assessment Model/Disaggregate Income Assessment Model (MEAM/DIAM) disseminated at (a) DOE/EIA Workshops on the Residential Sector, (b) the 13th Annual Minority Business Development Seminar, and (c) at University forums.
- Completed integration of the analytical information developed for the SERAP's Integrated Energy Demand Management Assessment Project, which supports DOE's energy resources and science and technology business lines, into the Energy Policy Socioeconomic Impact Model (EPSIM) software and related information regarding energy and environmental analysis was presented at various annual meetings. This enhanced the data file capacity for longitudinal data on consumption patterns for different population groups, provided more observations for analysis of household income and energy prices and facilitated integration of different residential energy consumption survey data files.
- Provided demonstration units of U.S. energy efficient housing and affordable energy technologies to electrify housing for South Africa's urban poor resulting in construction of approximately 2,000 homes.
- Reached 63 percent of the Departmental goal to minority educational institutions for participation in energy-related activities of the Department.
- The Department's support to minority educational institutions resulted in more than 1,600 students receiving science degrees.
- Facilitated a Department-wide coordinated funding strategy to support mandates outlined in Executive Orders 12876, 12900 and 13021.
- Several Department-wide programs were implemented in support of the three Executive Orders:
 - An environmental education award to the College Fund (United Negro College Fund) benefitting more than 2,000 students attending UNCF institutions. Secretary Peña presented the award to UNCF during National Historical Black Colleges and Universities Week.
 - Selection of a renown nuclear physicist to receive the first Chair of Excellence Professorship in nuclear physics at a historically black college or university.
 - Initiated five major programs in accordance with the Department's Hispanic Outreach Initiative.

- Sponsored three technical assistance workshops to assist minority educational institutions in preparation of applications and proposals for participation in the Department's missions and functions.
 - Continued SECME pre-college school program. Although with less funding the program was expanded to include two District of Columbia high schools - Schools Without Walls and Anacostia High School.
 - Partnered with the Office of Human Resources to implement the 1997 Diversity Partnership Program for summer internships for 60 students from diverse backgrounds.
 - Refocused the cooperative agreement with the African Electrification Foundation to emphasize more involvement of the Historically Black Colleges and Universities in infrastructure activities in South Africa that may benefit potentially 600 students.
 - Expanded the partnership with the National Association for Equal Opportunity in Higher Education (NAFEO) that resulted in more than 140 student interns from more than 50 minority educational institutions. Also partnered with NAFEO to sponsor 4 workshops with minority educational institutions to provide technical assistance and information on private sector partnerships.
 - Supported and established partnerships between educational institutions, and local education community to improve the science and technological competency of more than 1,400 precollege students.
 - Supported and established partnerships with more than 100 educational institutions to encourage the pursuit of science and technology related careers and higher education by pre-college students.
- The Minority Energy Information Clearinghouse continually monitors the usage and updates the office's web page as necessary, and responds to approximately 600 written general inquiries from the public sector and other government agencies regarding the Department's minority economic impact programs and activities.
 - The Office of Civil Rights closed out 163 formal discrimination complaint cases; completed 57 "final agency decisions"; dismissed 76, withdrew 21, settled 9, processed 112 new cases, and completed 103 informal complaints. Current on-hand is 270 cases.
 - Completed the Department's Affirmative Employment Program Accomplishment report; the Disabled Veterans Affirmative Action plans; the Persons with Disabilities submission; and the report on Enforcement of the Age Discrimination Act Conducted 52 pre-award compliance reviews..
 - Re-established the Office of Employee Concerns which strives to open communication lines between management and employees to facilitate fair and final resolution of employee concerns and old "whistleblower" cases; conducted a pilot study of "old"

whistleblower cases (1977-1992) to determine what remedies, if any, may be available to DOE whistleblowers who have previously never received relief on their claims; held the first two meetings of the Employee Concerns Managers, bringing together all of the employees who direct employee concerns programs at facilities throughout the DOE complex; issued the first Employee Concerns Annual Report; developed draft model program guidance for employee concerns programs throughout the DOE complex to provide consistency in implementing programs at different sites.

- Developed a new strategy for reducing the government's operational costs with regard to the administrative fees charged by the Trustee Banks in administering the Department's Minority Bank Deposit Financial Assistance Program. Significant results of a 40 percent cost savings over the previous year was achieved. Two Administrative Financial Institutions (AFIs) provided administrative assistance to minority-owned banks on a Pro-Bono basis for a limited time basis.
- Increased the number of women-owned and Hispanic-owned minority banks participating in the Bank Deposit Financial Assistance Program from 93 to 100 and added four new Administrative Financial Institutions to the Program.
- Notwithstanding numerous bank mergers and consolidations, effectively maintained \$202 million in minority financial institutions in 28 states including the District of Columbia and American Samoa to support inner city business development and economic growth.
- Developed a Department-wide Internet list server (SMALLBU) for small businesses to facilitate program administrators by connecting program managers across the complex.
- Periodic updates are made to the Department's workforce diversity tracking system in order to provides statistical analysis on workforce profile. Title VII of the Civil Rights Act of 1964 as amended, requires Federal agencies to annually report to Congress the representation of the minority, disabled persons, women, and track the Department's employees profile.
- Continue Special Emphasis activities to promote ethnic and cultural awareness by sponsoring 10 commemorative events; held workshops for the Federal Women's Program; and sponsored other activities educating employees on the contributions of various workforce segments.
- Continued vigorous outreach activities and program guidance through Diversity programs in identifying the advantages of a diverse workforce; implemented improvements in the Department's diversity record by ensuring small and disadvantaged business concerns are visible; provided guidance to both Field and Headquarters regarding diversity strategies while addressing furloughing and/or downsizing plans.

FY 1999 Planned Measurable Performance Activities:

Goal 1: Strengthen Partnerships with Employees

- Establish shared values throughout the Department in support of our vision of diversity. Integrate diversity into the Department's total quality management initiatives.
- Continue Diversity Council initiatives and training. Implement plan for diversity advocacy and assuring diversity.
- Partner with the Office of Personnel to (1) Incorporate diversity goals into performance reviews and reward systems; (2) Ensure career development and training opportunities are utilized to support diversity goals; and (3) Integrate work force diversity goals with operational and organizational activities.

Goal 2: Enhance Partnerships with Small, Minority and Women-Owned Businesses

- Review all procurement requests valued in excess of \$3 million to ensure maximum opportunities for minority business enterprises. Ensure equitable opportunity to compete for subcontracts.
- Provide domestic and international technology transfer opportunities.
- Recommend tools to increase minority and women-owned business participation in DOE contracting programs.
- Complete a biomass resource study to determine the use of biomass power to provide electricity for Native Alaskan villages that have no link to the central power grid serving main urban areas.
- Increase access of minority entrepreneurs to technologies and scientific expertise in the Department's laboratories, field organizations, and headquarters.
- Maximize opportunities in environmental restoration, energy efficiency and renewable areas.

Goal 3: Partner with Minority Educational Institutions

- Facilitate a Department-wide coordinating funding strategy to support educational initiatives outlined in Executive Orders 12876, 12900, and 13021.

- Reduce barriers to move towards collaboration and innovation by, convening two meetings per year of educational institution presidents and concerned community leaders.
- Implement at least one new interagency agreement between diverse educational institutions, other Federal agencies, and the energy industry for the purpose of establishing one new high technology research and development center at one of these institutions.
- Facilitate collaborative research and development efforts between educational institutions and the Department's national laboratories by sharing facilities and human resources.
- Continue the Minority Technical Education Program, re-establishing it as a Department-wide priority and emphasize the community colleges' needs to develop curricula with infrastructure support and promote partnerships with industry and national laboratories as a means of promoting economic growth in surrounding communities. In addition, increased opportunities will be provided for successful bridge programs from two-year to four-year institutions leading to careers with energy-related industries.
- Expand the SECME program to include partnerships with public schools in non-participating school districts. Augment current programs to include computer technology as a component of the science and engineering segments. In addition, the program will be expanded to include at least one major Science Bowl competition among participating SECME schools.
- Enhance the cooperative agreement with the African Electrification Foundation to facilitate building of human capacity in South Africa through increased educational exchange programs and infrastructure development.
- Provide developmental funds for cooperative programs to encourage under represented students in pursuing science, engineering and technology careers.
- Develop strategies to fuse the education and training missions of the universities with the needs of the energy industry and the basic research need of our national laboratories.

Goal 4: Partner with the Community

- Implement the Socioeconomic Research and Analysis Program by disseminating analytical and data tools to assess the distributive effects of policies, programs, and activities associated with DOE's five business lines -- industrial competitiveness, energy resources, science and technology, national security, and environmental quality.

- Implement the Environmental Justice Executive Order, identify departmental activities that disproportionately affect human health and the environment and provide improved means for participation of low-income and minority communities into the decision making process.
- Coordinate and implement Congressional and Secretarial Hispanic Outreach initiatives.
- Improve and maintain the Minority Bank Deposit Financial Assistance Program.
- Improve information database of public requests for minority business and education-related information.

IV. Explanation of Funding Changes FY 1998 to FY 1999:

- ▶ **Personnel Compensation and Benefits:** The increase of \$135,690 in personnel compensation and benefits reflects increases due to a cost of living adjustment, base pay adjustments, promotions, and performance awards of \$186,994. This increase is offset mainly by decreases due to the elimination of costs associated with buyouts and the \$80 per person VSIP charge and other minor adjustments -\$51,304.
- ▶ **Travel:** Reflects a small increase of \$30,000 associated with the need to perform site visits and conduct investigations from complaints voicing health, safety, environmental, fraud, waste, abuse, whistleblower concerns at field locations.
- ▶ **Other Related Expenses:** The increase of \$195,000, is primarily for activities in the Civil Rights area \$25,000 and for the Working Capital Fund to provide for price adjustments in a number of the business lines, such as copiers, postage and printing and graphics \$147,000.
- ▶ **Program Support:** In FY 1998 prior year balances will be utilized to essentially conduct program activities level to the FY 1999 Request. In fact, on a comparable basis, FY 1999 reflects a slight decrease of \$69,000. The prior year balance, total of \$299,000, will be used for the Minority Technical Education Program (MTEP) which is a undergraduate research and training program \$249,000, and for the development and dissemination of environmental justice newsletter \$50,000. The remaining activities in Management and Technical Assistance are essentially level funded with FY 1997 and FY 1998.

V. Program Support

Program Support: Reflects an increase of \$102,000 for activities associated with the implementation of environmental justice efforts in support of Executive Order 12898 and additional funding of \$20,000 to allow for a small increase in the number of minority banking

institutions that participate in the Financial Assistance Program. This support also includes level funding in FY 1999 for the following activities:

The **Research Program** develops and improves the analytical tools which provide a credible quantitative framework for long-term analysis of energy and environmental issues. The **Management and Technical Assistance Programs** are designed to (1) undertake activities to assure that minorities and minority educational institutions are afforded the opportunity to participate fully in all energy-related activities of the Department; and (2) promote economic incentives for minority communities, minority business enterprises, women-owned, and small and disadvantaged minority businesses through focused government and business linkages. The **Financial Assistance Program** integrates technical and economic strategies to enhance business development activities with minority financial institutions and minority communities.

Funding schedule

Program Support Summary	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Budget Request
Socioeconomic Research and Analysis Program/Environmental Justice	\$ 150	\$ 150	\$ 50	\$ 200	\$ 302
Management & Technical Assistance	1,029	1,320	249	1,569	1,378
Financial Assistance	180	180	0	180	200
TOTAL PROGRAM SUPPORT:	\$1,359	\$1,650	\$ 299	\$1,949	\$1,880

SOCIOECONOMIC RESEARCH AND ANALYSIS PROGRAM

PROGRAM PERFORMANCE SUMMARY

I. Mission Supporting Goals and Objectives:

The Socioeconomic Research and Analysis Program is mandated by P.L. 95-619. In carrying out this mandate, the Department recognizes the fact that our Nation's ability to compete in a global economy depends on the development of our national resources among all segments of the population. **Outputs:** Continue minimum level of effort to develop and enhance the analytical tools and software to (a) provide a credible quantitative framework for long-term analysis of energy environmental issues; (b) assist the Department in building a consensus on energy issues; (c) assess the impacts of energy programs, policies, legislative and regulatory proposals; (d) establish innovative methods by which massive energy and socioeconomic database systems can be integrated for long-term analyses and forecasting of energy and environmental data and other information; and (e) develop a distributional analysis module for the National Energy Modeling System for impact decisions by geographic regions, low-income groups, and Native American Tribal governments. **Outcomes:** Enhanced decision making capability; timely and cost-effective analyses on the comparative impact of policies, regulations and other actions; increased stakeholder awareness of energy issues affecting different population segments on a comparative basis; development of unique analytical tools to input equity considerations in the formulation and evaluation of energy policy.

II. Funding Schedule:

PROGRAM ACTIVITY	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Request
Data Development and Minority Energy Assessment Models	\$ 150	\$ 150	\$ 0	\$ 150	\$ 302
Policy Assessments and Analyses	0	0	0	0	0
Technical Market Analysis and Information	0	0	50	50	0
Total, Research	\$ 150	\$ 150	\$ 50	\$ 200	\$ 302

MANAGEMENT AND TECHNICAL ASSISTANCE PROGRAM

PROGRAM PERFORMANCE SUMMARY

I. Mission Supporting Goals and Objectives

The Office of Economic Impact and Diversity is mandated by P.L. 95-619 to provide Management and Technical Assistance to minority educational institutions and minority business enterprises to enable them to participate in market research, planning, economic and business analysis, and program and contract opportunities within the Department. The implementation of ED's program strategies for management and technical assistance can contribute significantly to the new incentives and goals and vision of the Department to technical and economic development strategies. To augment these efforts, the Minority Information Clearinghouse serves as a centralized repository and dissemination point. **Outputs:** Enhance minority participation in the energy technology industry by supporting the research and education infrastructure at minority educational institutions. Invest in human resources at all levels of the educational curriculum through improved scientific training and research experiences in mathematics and sciences, for both students and teachers. Incorporate the technical resources of Federal and private sector laboratories and energy technology industries to assist under represented students to pursue careers in mathematics and sciences. Encourage innovation and business entrepreneurship which will improve the level of competition in the energy arena. These programs enhance the technical capabilities of our Nation's human resources and facilitate the Department's contribution to heightening the Nation's energy, economic and environmental needs. **Outcomes:** (1) Supported more than 75 minority educational institutions through assistance grants; (2) provided support to over 35 secondary schools for pre-college science enrichment programs; (3) provided technical assistance through workshops and symposia to minority educational institutions; (4) sponsored a preliminary biomass fueled energy program in a Native Alaskan village to determine the feasibility of a new market for Alaskan and other U.S. made technical goods and services to address sustain ability issues and set the foundation for replication at other villages; (5) "Best in Class" Mentor-Protégé Program recognized agency-wide for its innovative features, regulatory coverage and rate of growth; and (6) Five percent annual increase in contract awards to 8(a) certified companies participating in the Department's 8(a) program. The "8(a) pilot" authority permits management and operating contractors to make direct awards within the 8(a) portfolio at SBA established dollar thresholds.

II. Funding Schedule: (Management and Technical Assistance Program)

PROGRAM ACTIVITY	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Request
Minority Educational Institutions Support	\$ 600	\$ 750	\$ 249	\$ 999	\$ 808
Minority Energy Information Clearinghouse	0	0	0	0	0
Minority Business and Community Development	429	570	0	570	570
Total, Management and Technical Assistance	\$ 1,029	\$ 1,320	\$ 249	\$ 1,569	\$ 1,378

FINANCIAL ASSISTANCE PROGRAM

PROGRAM PERFORMANCE SUMMARY

II. Mission Supporting Goals and Objectives

The Bank Deposit Financial Assistance Program is mandated by P.L. 95-619, to provide short-term deposits of Federal funds in minority-owned financial institutions. **Output:** Under this program, non-appropriated funds obtained through consent decrees in the Economic Regulatory Administration's Petroleum Violation Escrow Account are deposited in short-term certificates of deposit in minority financial institutions, to be used as the additional capital for loans and investments in their respective minority communities. **Outcome:** The current funding level has grown more than 400 percent since 1993, and is 12 times larger than the program's original allocation of \$20 million in 1980.

II. Funding Schedule

PROGRAM ACTIVITY	FY 1997 Total Obligations	FY 1998 Original Appropriation	FY 1998 Adjustments	FY 1998 Estimated Obligations	FY 1999 Request
Bank Deposit Financial Assistance	\$ 180	\$ 180	\$ 0	\$ 180	\$ 200
Total, Financial Assistance	\$ 180	\$ 180	\$ 0	\$ 180	\$ 200

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

COST OF WORK FOR OTHERS

I. Mission Supporting Goals/Ongoing Responsibilities:

The Cost of Work for Others (CWO) program provides funding to the Department of Energy's (DOE) multi-purpose field offices and national laboratories to finance the cost of products and services requested by non-DOE users, both foreign and domestic. The products and services provided by the Department under this program generally are not available from alternate sources and 1) are a revenue program which results from a budgeted mission of the Department; or, 2) are reimbursable work for non-federal entities where the sponsor is precluded by law from providing advance funding. The costs of the Cost of Work for Others program are offset by revenues received from the sale of products and services to our customers.

The goals for this program are continued access to the department's laboratory complex and availability of by-products for sale to these non-federal customers. The CWO program satisfies the needs of our non-federal customers. For this reason, performance evaluation for this work is the responsibility of our customers. The success of this program is indicated by the steady stream of business from the targeted groups.

A new activity added to the Cost of Work Program in FY 1997 was a portion of the Department's Foreign Research Reactor Spent Fuel Program. This program which involves the receipt and storage of foreign research reactor spent fuel is provided for in the Cost of Work Program only to the extent of revenues provided. In addition to the funding provided here, the Defense Environmental Management Appropriation includes \$1.9 million in FY 1997; \$4.0 million in FY 1998 and \$4.2 million in FY 1999 at the Savannah River site and \$9.7 million at the Idaho site, to support those activities associated with the Foreign research Reactor Spent Fuel program which are not offset by revenues, including all costs associated with spent fuel returned from other than high income nations.

Amounts displayed in the funding schedule represent actual obligations for FY 1997, total obligational authority for FY 1998, and budget authority for FY 1999.

II. Funding Schedule:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>\$Change</u>	<u>%Change</u>
Products Sold: Savannah River	<u>\$3,000</u>	<u>\$4,080</u>	<u>\$4,561</u>	<u>+\$481</u>	<u>+11.8%</u>
Subtotal, Products Sold	\$3,000	\$4,080	\$4,561	+\$481	+11.8%
Services Performed					
Albuquerque	\$2,128	\$3,600	\$2,500	-\$1,100	-30.6%
Argonne	500	725	75	-650	-89.7%
Brookhaven	247	759	1,570	+811	+106.9%
Chicago	199	100	150	+50	+50.0%
Idaho	0	0	3,100	+3,100	-
Lawrence Berkeley a/	3,000	8,388	9,157	+769	+9.2%
Lawrence Livermore b/	2,382	6,577	3,410	-3,167	-48.2%
Oak Ridge Ops	1,795	1,781	1,386	-395	-22.2%
Oak Ridge National Lab	841	774	2,903	+2,129	+275.1%
Oakland	3,400	3,300	3,000	-300	-9.1%
Savannah River c/	<u>10,000</u>	<u>4,500</u>	<u>12,500</u>	<u>+8,000</u>	<u>+177.8%</u>
Subtotal, Services Performed	\$24,492	\$30,504	\$39,751	+\$9,247	+30.3%
Total Cost of Work for Others	\$27,492	\$34,584	\$44,312	+\$9,728	+28.1%

- a/ Reflects reduction of \$3,000,000 in budget authority for FY 1997 and \$3,000,000 in budget authority for FY 1998 to fund spent fuel receipt, storage and management activities at Savannah River.
- b/ Reflects reduction of \$2,000,000 in budget authority for FY 1997 and \$1,500,000 in budget authority for FY 1998 to fund spent fuel receipt, storage and management activities at Savannah River.
- c/ FY 1997 reflects addition of \$5,000,000 in budget authority for from sources identified above in notes a and b for spent fuel receipt, storage and management activities and the use of \$5,000,000 in prior year balances.
FY 1998 reflects the addition of \$4,500,000 in budget authority identified above in note a and b for spent fuel management activities and the use of \$1,570,000 in prior year balances.

III. Performance Summary:

FY 1997/1998 Measurable Performance Activities:

PRODUCTS SOLD: Savannah River - Costs of forest management and the sale of timber performed by the U.S. Forest Service.

SERVICES PERFORMED:

Albuquerque - Miscellaneous services for state and local governments, such as , highly specialized computer and automation support at the Sandia and Los Alamos National Laboratories and sale of utilities to the County of Los Alamos at Los Alamos National Laboratory.

Argonne - Work for state and local governments such as the Illinois Department of Energy & Natural Resources.

Brookhaven - Publication of Pergamon Press and miscellaneous activities for state and local government.

Chicago - Certified reference materials used by the Nuclear community at the New Brunswick Laboratory.

Lawrence Berkeley - Work for state and local governments and non-profit organizations such as seismic monitoring techniques for the State Lands Commission biological research at the Drosophila Center for National Institutes of Health and various services for universities.

Lawrence Livermore - Miscellaneous services performed for state and local governments such as earthquake analysis for the State of California and Livermore Manufacturing Outreach Center.

Oak Ridge - Miscellaneous services for state and local governments (including providing treated water to the City of Oak Ridge) and universities.

Oak Ridge National Lab - Miscellaneous services for state and local governments.

Richland - Miscellaneous services at Pacific Northwest Laboratory (PNL) and Kaiser Engineering.

Oakland - Particle physics collaboration with Japan and other development efforts at the Stanford Linear Accelerator Center (SLAC).

Savannah River -Receive, manage and provide interim storage of Foreign Research Reactor Spent Fuel.

FY 1999 Measurable Performance Activities:

PRODUCTS SOLD: Savannah River - Costs of forest management and the sale of timber performed by the U.S. Forest Service.

SERVICES PERFORMED:

Albuquerque - Miscellaneous services for state and local governments, such as , highly specialized computer and automation support at the Sandia and Los Alamos National Laboratories and sale of utilities (water) to the County of Los Alamos at Los Alamos National Laboratory.

Argonne - Work for state and local governments such as the Illinois Department of Energy & Natural Resources.

Brookhaven - Publication of Pergamon Press and miscellaneous activities for state and local government.

Chicago - Certified reference materials used by the Nuclear community at the New Brunswick Laboratory.

Idaho -Receive, manage and provide interim storage of Foreign Research Reactor Spent Fuel.

Lawrence Berkeley - Work for state and local governments and non-profit organizations such as seismic monitoring techniques for the State Lands Commission biological research at the Drosophila Center for National Institutes of Health and various services for universities.

Lawrence Livermore - Miscellaneous services performed for state and local governments such as earthquake analysis for the State of California and Livermore Manufacturing Outreach Center.

Oak Ridge - Miscellaneous services for state and local governments (including providing treated water to the City of Oak Ridge) and universities.

Oak Ridge National Lab - Miscellaneous services for state and local governments.

Oakland - Particle physics collaboration with Japan and other development efforts at the Stanford Linear Accelerator Center (SLAC).

Savannah River -Receive, manage and provide interim storage of Foreign Research Reactor Spent Fuel.

IV. Explanation of Funding Changes FY 1998 to FY 1999:

PRODUCTS SOLD:

Savannah River: Increase is related to the reforestation for short-rotation woody crops research , collaboration with the forest industry on research of short -rotation wood crops and increased timber management activities. +\$ 481,000

SERVICES PERFORMED:

Albuquerque: Decrease due to lower estimates for utility sales to the City of Los Alamos. -\$1,100,000

Argonne: Reflects the transfer of work from this account to reimbursable accounts where participants provide advance funding. -\$ 650,000

Brookhaven: Increase reflects higher sales of isotopes and the sale of Protein Data Bank tapes in the U.S. and Foreign countries. +\$ 811,000

Chicago: Increase due to an increase in the sale of reference materials. +\$ 50,000

Idaho: Increase reflects the initiation of the acceptance, interim storage and management of Foreign Research Reactor Spent Fuel. +\$3,100,000

Lawrence Berkeley: Increase is related to higher levels of activity associated with projects started in prior years which have achieved their highest level of activity. +\$ 769,000

Lawrence Livermore: Decrease is related to a reduced number of projects with state and local governments. -\$3,167,000

Oak Ridge Operations: Decreases from a reduced level of work with the State of Tennessee.	-\$ 395,000
Oak Ridge National Lab: Reflects increased activity with universities and state/local governments.	+\$2,129,000
Oakland: Decreases due to reduced Japanese participation at the Stanford Liner Accelerator.	-\$ 300,000
Savannah River: Reflects an increase in the number of high-income foreign nations shipping research reactor spent fuel to the site.	<u>+\$8,000,000</u>
Total Funding Change, Cost of Work for Others	+\$9,728,000

DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

REVENUES ASSOCIATED WITH COST OF WORK FOR OTHERS

I. Mission Supporting Goals/Ongoing Responsibilities:

Associated Revenues represents the full-cost recovery offset to Cost of Work for Others, the program associated with providing products and services to our customers.

II. Funding Table:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>\$ Change</u>	<u>% Change</u>
Products Sold: Savannah River	<u>-\$3,714</u>	<u>-\$5,500</u>	<u>-\$5,400</u>	<u>+\$100</u>	<u>-1.8%</u>
Subtotal, Products Sold	-\$3,714	-\$5,500	-\$5,400	+\$100	-1.8%

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>\$ Change</u>	<u>% Change</u>
Services Performed					
Albuquerque	-\$2,128	-\$4,514	-\$3,010	+\$1,504	-33.3%
Argonne	-272	-725	-75	+650	-89.7%
Brookhaven	-333	-759	-1,570	-811	+106.7%
Chicago	-204	-100	-150	-50	+50.0%
Idaho	0	0	-3,100	-3,100	-
Lawrence Berkeley a/	-2,022	-6,521	-9,182	-2,661	+40.8%
Lawrence Livermore b/	-2,815	-6,895	-3,695	+3,200	-46.4%
Oak Ridge Ops	-1,504	-1,900	-1,437	+463	-24.4%
Oak Ridge National Lab	-884	-800	-3,495	-2,695	+336.9%
Oakland	-4,495	-3,300	-3,000	+300	-9.1%
Savannah River c/	<u>-10,219</u>	<u>-4,500</u>	<u>-12,500</u>	<u>-8,000</u>	+177.8%
Subtotal, Services Performed	-\$24,876	-\$30,014	-\$41,214	-\$11,200	-37.3%
Total, Associated Revenues	-\$28,590	-\$35,514	-\$46,614	-\$11,100	+31.3%

- a/ Reflects reduction of \$3,000,000 in FY 1997 and \$3,000,000 in FY 1998 to fund spent fuel receipt, storage and management activities at Savannah River.
- b/ Reflects reduction of \$2,000,000 in FY 1997 and \$1,500,000 in FY 1998 to fund spent fuel receipt, storage and management activities at Savannah River.
- c/ Reflects additional revenues of \$10,219,000 in FY 1997 and \$4,500,000 from foreign countries for spent fuel receipt, storage and management activities.

III. **Performance Summary:**

The activities related to Revenues Associated with the Cost of Work for Others are described in the section above titled Cost of Work for Others.

IV. **Explanation of Funding Changes FY 1998 to FY 1999:**

PRODUCTS SOLD:

Savannah River: Decrease is related to the decreased value of the timber harvest. +\$ 100,000

SERVICES PERFORMED:

Albuquerque: Decrease is related to lower estimates for utility sales to the City of Los Alamos. +\$1,504,000

Argonne: Decrease reflects the transfer of work from this account to reimbursable accounts where participants provide advance funding. +\$ 650,000

Brookhaven: Increase reflects higher sales of isotopes and the sale of Protein Data Bank tapes in the U.S. and Foreign countries. -\$ 811,000

Chicago: Increase due an increase in the sale of reference materials. -\$ 50,000

Idaho: Increase reflects the initiation of the acceptance, interim storage and management of Foreign Research Reactor Spent Fuel. -\$3,100,000

Lawrence Berkeley: Increase is related to higher levels of activity associated with projects started in prior years which have achieved their highest level of activity. -\$ 2,661,000

Lawrence Livermore: Decrease is related to a reduced number of projects with state and local governments. +\$3,200,000

Oak Ridge Operations: Decreases from a reduced level of work with the State of Tennessee. +\$ 463,000

Oak Ridge National Lab: Reflects increased activity with universities and state/local governments. -\$2,695,000

Oakland: Decreases due to reduced Japanese participation at the Stanford Liner Accelerator. +\$ 300,000

Savannah River: Reflects an increase in the number of high-income foreign nations shipping research reactor spent fuel to the site. -\$8,000,000

Total Funding Change, Revenues Associated with Cost of Work -\$11,100,000

**DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)**

MISCELLANEOUS REVENUES

I. Mission Supporting Goals/Ongoing Responsibilities:

Miscellaneous Revenues are received from the sale of by-products that have no cost associated with the Departmental Administration appropriation. These items are by-products of activities funded by other on-going departmental programs and are collected as miscellaneous revenues. Included in this estimate are revenues collected from the Reimbursable Work program for added factor and depreciation.

II. Funding Table:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>\$Change</u>	<u>%Change</u>
<u>Miscellaneous Revenues</u>					
Albuquerque	-\$1,000	-\$1,000	-\$1,000	\$0	0%
Idaho	-11,372	-25,100	-16,000	+9,100	-36.3%
Pittsburgh	-18,749	-21,200	-23,000	-1,800	+8.5%
Added Factor and Depr	-23,723	-45,500	-47,916	-2,416	+5.3%
Oak Ridge USEC	-563	-2,016	-1,000	1,016	-50.4%
Other Revenues	<u>-1,000</u>	<u>-1,000</u>	<u>-1,000</u>	<u>0</u>	<u>0.0</u>

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>\$Change</u>	<u>%Change</u>
<u>Miscellaneous Revenues</u>					
Subtotal, Misc Revenues	<u>-\$56,407</u>	<u>-\$95,816</u>	<u>-\$89,916</u>	<u>+\$5,900</u>	<u>-6.2%</u>
Total Revenues, Cost of Work and Misc. Revenues	<u>-\$84,997</u>	<u>-\$131,330</u>	<u>-\$136,530</u>	<u>-\$5,200</u>	<u>+25.1%</u>

III. Performance Summary:

FY 1997/1998 Measurable Performance Activities:

Albuquerque - Lease of facilities (gas and electric) to utility company at the Los Alamos National Laboratory at Albuquerque Field Office.

Idaho - Costs incurred at the Idaho Chemical Processing Plant for handling and basin storage of spent fuel cores for the Department of Navy.

Pittsburgh - The Department of the Navy reimburses Pittsburgh for the nuclear material burn-up while the core is in operation.

Added Factor and Depreciation - Added factor and depreciation charges collected from other federal agencies as well as non-federal entities for Reimbursable activity conducted by the Department in accordance with full-cost recovery policy.

Oak Ridge-USEC Lease Payments - Lease of facilities - including Gaseous Diffusion Plants at Oak Ridge and Portsmouth - by United States Enrichment Corporation to reimburse the Department.

Other Revenues - Estimate based on current rate of collections for various miscellaneous revenues collected at all the sites.

FY 1999 Measurable Performance Activities:

Albuquerque - Lease of facilities (gas and electric) to utility company at the Los Alamos National Laboratory at Albuquerque Field Office.

Idaho - Costs incurred at the Idaho Chemical Processing Plant for handling and basin storage of spent fuel cores for the Department of Navy.

Pittsburgh - The Department of the Navy reimburses Pittsburgh for the nuclear material burn-up while the core is in operation.

Added Factor and Depreciation - Added factor and depreciation charges collected from other federal agencies as well as non-federal entities for Reimbursable activity conducted by the Department in accordance with full-cost recovery policy.

Oak Ridge-USEC Lease Payments - Lease of facilities - including Gaseous Diffusion Plants at Oak Ridge and Portsmouth - by United States Enrichment Corporation to reimburse the Department.

Other Revenues - Estimate based on current rate of collections for various miscellaneous revenues collected at all sites.

IV. Explanation of Funding Changes FY 1998 to FY 1999:

Idaho: Decrease is due to a revision in the calculation of costs which should be assessed to the Navy for the handling and basin storage of their spent fuel.	+\$9,100,000
--	--------------

Pittsburgh: Decrease is related to revised estimates by the Naval Reactors program.	-\$1,800,000
--	--------------

Added Factor and Depreciation: Increase is related to a projected increase to the Reimbursable work for others program.	-\$2,416,000
--	--------------

Oak Ridge USEC: Decrease reflects lower estimates of lease payments.	<u>+\$1,016,000</u>
---	---------------------

Total Funding Change, Miscellaneous Revenues	-\$5,900,000
--	--------------

**U.S. DEPARTMENT OF ENERGY
FY 1999 CONGRESSIONAL BUDGET SUBMISSION
HUMAN RESOURCES AND ADMINISTRATION**

**WORKING CAPITAL FUND
(Tabular dollars in thousands, Narrative dollars in whole dollars)**

MISSION SUPPORTING GOALS/ONGOING RESPONSIBILITIES

This budget submission covers the activities of the Office of Human Resources and Administration that are included in the Working Capital Fund (Fund). The Fund is a financial management tool for improving the financing and delivery of a range of common administrative services. The Fund began operation in FY 1997 with nine business lines having budgets totaling \$93 million. The objectives of the Fund include:

- (1) Ensure that program mission budgets include a fair allocation of the costs of common administrative services;
- (2) Improve the efficiency of administrative services by providing managers with the opportunity and responsibility to make choices on the amount, priority, and, where possible, the sources of administrative services used by their programs; and
- (3) Expand the flexibility of the Department's budget structure to permit service providers to respond to customer needs.

The operations and policies of the Fund are overseen by a Working Capital Fund Board composed of 11 members and chaired by the Assistant Secretary for Human Resources and Administration. Since it was first convened in February 1996, the Board has adopted specific pricing policies for the various business lines. Such pricing policies form the basis for the FY 1999 submission, including the revision of FY 1998 estimates, where applicable. For FY 1998 the Board removed the Contract Audit business line from the Fund, and approved a pricing policy for a new Payroll Processing and Personnel business.

The FY 1999 submission is based on the same cost structure as the FY 1998 pricing policies. Only contractual services costs are included; no Federal salaries or costs to administer the Fund are included.

Table 1 summarizes projected costs by business line and Table 2 summarizes costs by customer organization. These cost estimates represent the best projections currently available, but are subject to change based on customer decision regarding the mix, level, and source of services employed to support mission programs.

For each business line, three cost estimates are provided for each customer organization in Tables 3 through 12.

- FY 1997 Actual - These are the billings through September, 1997, adjusted by removing the Audit business line.
- FY 1998 Estimate - These are the most recent estimates under current pricing policies.
- FY 1999 Estimate - These are the most recent estimates for FY 1999 under current pricing policies.

**Working Capital Fund Budget
by Organization and Function
Working Capital Fund Budget
by Organization and Function
(dollars in thousands)**

TABLE 1: BUSINESS LINE

Business Line	FY 1997 Actual Bills	FY1998 Estimate	FY 1999 Budget
Telephones	6,771	6,685	6,685
Networking	3,064	3,055	3,055
Desktop	2,273	1,528	1,528
Building Occupancy	56,330	55,507	55,755
Supplies	2,602	2,382	2,492
Copiers	2,194	2,369	2,369
Postage	2,220	2,130	2,130
Printing and Graphics	3,917	4,115	4,115
Contract Closeout	421	556	556
Payroll and Personnel	NA	1,939	2,054
Total Working Capital Fund	79,792	80,266	80,740

**Working Capital Fund Budget
by Organization and Function**

TABLE 2: PROGRAM ORGANIZATION	FY 1997 Actual Bills	FY1998 Estimate	FY 1999 Budget
Office of the Secretary	862	954	970
Board of Contract Appeals	97	188	193
Bonneville Power Administration	132	148	145
Chief Financial Officer	2,334	2,291	2,317
Civilian Radioactive Waste Mgmt	1,699	1,957	1,816
Cong.,Intergov'l,&Public Affairs	1,899	741	761
Defense Programs	3,983	4,362	4,353
Economic Impact and Diversity	699	721	735
Energy Efficiency	5,178	5,559	5,550
Energy Information Administration	7,589	7,434	7,678
Energy Research	3,151	3,179	3,243
Environmental Management	6,996	7,254	6,838
Environment, Safety, and Health	4,566	4,870	4,900
Field Management	923	1,015	1,056
Fissile Materials Disposition	439	476	482
Fossil Energy	2,906	2,855	2,985
General Counsel	2,860	2,958	3,011
Hearings and Appeals	962	973	981
Human Resources and Administration	18,722	16,425	16,538
Inspector General	1,755	1,705	1,708
Naval Reactors	294	415	425
Nuclear Energy	1,417	1,412	1,417
Nuclear Nonproliferation	6,751	7,722	7,865
Policy	2,443	1,986	2,030
Public Affairs	0	927	940
Quality Management	553	538	530
Secretary of Energy Advisory Board	194	203	206
Western Area Power Administration	109	310	338
Worker Transition	279	476	487
Other PMAs and FERC	NA	213	241
Total	79,792	80,266	80,740

INFORMATION MANAGEMENT BUSINESS LINES

Telephones

Description: The telephone business line is the telephone company for DOE Headquarters. It comprises an infrastructure connecting two main headquarters buildings and six satellite buildings for internal dialing; and commercial basic line service. Infrastructure includes communication networks, installed telephone processing switching equipment, and trained technical personnel. Infrastructure levels are expected to adjust over time to the planned reduction in the numbers of Headquarters facilities. Services included are adding new users, moving existing users, and changing features or functionality, and repair service for dial tone trouble calls. Commercial line service includes local, long distance, FTS, and international dialing provided and controlled through the Headquarters Information Exchange (IX) System. Specialized services include operator-assisted calls, voice mail, 3-way calling, call forwarding, and automatic ring back, among others.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 policy to allocate telephone charges as follows:

- First, the infrastructure costs, including the CENTREX charges for staff located in leased facilities, will be allocated among program organizations based on the number of phone lines. Since the Fund's inception, program customers have been validating and reducing the number of phone lines.
- Second, the costs of dedicated communication circuits will be allocated to those organizations requesting installation of such lines.
- Finally, long distance and local and international calls will be allocated to phones and thus to programs based on the actual billing information received by the Department.

FY 1998 and 1999 Estimating Method: The FY 1998 estimates for infrastructure were based on the inventory of active telephone lines as of August 1997. The usage cost estimates were based on actual toll charges for FY 1997. The FY 1999 budget estimates for long distance and local calls are based on actual usage for FY 1997. Infrastructure cost estimates and costs of dedicated lines are allocated based on the inventory of active telephone lines installed as of August 1997.

Table 3 provides the estimated telephone charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 3: TELEPHONES	FY 1997 Actual Bills	FY1998 Estimate	FY 1999 Budget
Office of the Secretary	76	77	77
Board of Contract Appeals	4	4	4
Bonneville Power Administration	12	11	11
Chief Financial Officer	209	215	215
Civilian Radioactive Waste Mgmt	143	142	142
Cong.,Intergov'l,&Public Affairs	110	64	64
Defense Programs	515	518	518
Economic Impact and Diversity	55	54	54
Energy Efficiency	372	364	364
Energy Information Administration	536	520	520
Energy Research	320	316	316
Environmental Management	778	752	752
Environment, Safety, and Health	412	424	424
Field Management	58	57	57
Fissile Materials Disposition	22	22	22
Fossil Energy	237	246	246
General Counsel	214	212	212
Hearings and Appeals	43	40	40
Human Resources and Administration	1,234	1,195	1,195
Inspector General	163	155	155
Naval Reactors	0	74	74
Nuclear Energy	314	237	237
Nuclear Nonproliferation	707	710	710
Policy	189	173	173
Public Affairs		51	51
Quality Management	13	11	11
Secretary of Energy Advisory Board	8	8	8
Western Area Power Administration	5	9	9
Worker Transition	22	24	24
Total	6,771	6,685	6,685

Networking

Description: The networking business line provides connectivity for DOE Headquarters through Local and Wide Area Networks (LAN and WAN). This business manages, operates, and maintains the LAN backbone infrastructure to provide access to the Internet and World Wide Web, Electronic mail, DOECast for information sharing and interoperability for 86 organizational LAN segments in two main headquarters buildings and six satellite buildings. It also provides interface services and communications links to field sites, other government agencies, and public and private business partners.

FY 1998 Budget Method: The FY 1998 budget allocations were based on a November 1997 inventory of LAN connections.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 policy that considers Networking charges to represent information infrastructure costs which are composed of: (1) the cost of the leased telecommunications circuits connecting the Headquarters metropolitan area locations (including the Germantown campus) into the network backbone system; (2) the cost of maintaining the common network infrastructure components (routers, switches, bridges, hub-mail routing servers, etc.); and (3) the cost of providing the technical staff who install and repair network connections and monitor/operate the various common network components. These charges will be allocated among program organizations based on the number of active LAN connections as a per connection monthly charge.

FY 1998 and 1999 Estimating Method: Based on the Board action, the FY 1998 and 1999 costs were allocated by an October 1997 inventory of LAN connections.

Table 4 provides the estimated networking charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 4: NETWORKING

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	58	81	81
Board of Contract Appeals	0	0	0
Bonneville Power Administration	0	0	0
Chief Financial Officer	143	153	153
Civilian Radioactive Waste Mgmt	83	120	120
Cong.,Intergov'l,&Public Affairs	47	24	24
Defense Programs	357	347	347
Economic Impact and Diversity	32	32	32
Energy Efficiency	185	168	168
Energy Information Administration	1	1	1
Energy Research	251	235	235
Environmental Management	367	359	359
Environment, Safety, and Health	252	248	248
Field Management	43	41	41
Fissile Materials Disposition	19	18	18
Fossil Energy	97	98	98
General Counsel	120	135	135
Hearings and Appeals	24	23	23
Human Resources and Administration	622	619	619
Inspector General	84	78	78
Naval Reactors	0	0	0
Nuclear Energy	68	82	82
Nuclear Nonproliferation	85	66	66
Policy	95	81	81
Public Affairs		18	18
Quality Management	9	5	5
Secretary of Energy Advisory Board	8	6	6
Western Area Power Administration	0	0	0
Worker Transition	14	17	17
Total	3,064	3,055	3,055

Desktop Support

Description: The desktop support business line provides installation and repair, upgrades and preparation for relocations of standard desktop configurations, notebooks, facsimile units. It provides a centralized “Help Desk” service for ordering hardware repairs, technical support of software products and reporting of telephone and LAN problems. The Desktop business line develops and delivers technical training courses, including new courses, enhanced courses, and revision of course materials, in the office automation environment to reflect software upgrades and enhancements. The business line provides adaptive workstation installation and maintenance. Desktop support also includes software analysts to assist in preparing multimedia briefings and presentations, perform hardware and software analysis and evaluation, provide disk recovery, classified contamination recovery, and virus investigation and control. The desktop service provides software distribution services.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 policy to divide the Desktop Support into three components:

- a. Certain expenses, such as virus protection, adaptive workstation support, and half of the Help Desk costs, will be treated for FY 1998 as infrastructure and allocated among programs by the number of workstations;
- b. The other half of Help Desk costs plus the costs for desktop equipment repair will be charged as an annual subscription or on a Time and Material basis, where program managers have the option to obtain such services from private vendors.
- c. Software distribution and training services will be charged on a user fee basis.

FY 1998 and 1999 Estimating Method: The infrastructure cost (a. above) was allocated based on the October 1997 inventory of workstations; subscription services (b. above) was estimated based on number of subscribing workstations; and software distribution and training services (c. above) was estimated based on past use.

Table 5 provides the estimated desktop support charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 5: DESKTOP

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	23	10	10
Board of Contract Appeals	2	2	2
Bonneville Power Administration	0	0	0
Chief Financial Officer	98	52	52
Civilian Radioactive Waste Mgmt	57	35	35
Cong.,Intergov'l,&Public Affairs	40	10	10
Defense Programs	81	60	60
Economic Impact and Diversity	24	10	10
Energy Efficiency	198	169	169
Energy Information Administration	14	17	17
Energy Research	59	65	65
Environmental Management	347	168	168
Environment, Safety, and Health	70	62	62
Field Management	30	10	10
Fissile Materials Disposition	11	7	7
Fossil Energy	122	110	110
General Counsel	84	25	25
Hearings and Appeals	27	7	7
Human Resources and Administration	543	421	421
Inspector General	59	50	50
Naval Reactors	0	0	0
Nuclear Energy	24	32	32
Nuclear Nonproliferation	269	144	144
Policy	71	32	32
Public Affairs		7	7
Quality Management	8	14	14
Secretary of Energy Advisory Board	3	1	1
Western Area Power Administration	0	0	0
Worker Transition	9	8	8
Total	2,273	1,528	1,528

ADMINISTRATIVE SERVICES BUSINESS LINES

Building Occupancy

Description: The Building Occupancy business line provides for the rent of buildings housing Department of Energy Headquarters staff and contractors who are located with Federal staff. Other services include trash removal; pest control; preventive maintenance and repair of electrical, mechanical, and structural systems; parking; food services; architectural and engineering services pertaining to Headquarters space; and repair and maintenance of Headquarters radio communications and electronic equipment. The purpose of this business line is to ensure a safe and healthful work environment.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 policy for allocating costs:

- d. On a building-by-building basis, direct rental value of the space assigned to each organization is calculated, based on the actual rent charged to the Department by the General Services Administration (GSA). Customer rent costs are based on areas expected to be assigned to each organization on October 1 of the Fiscal Year.
- e. Then the common use space costs in each building are divided among the tenants of that building based on their proportional shares of direct rent costs.
- f. Certain additional costs, such as Strategic Alignment moves, are allocated as a prorata addition to the building-by-building charges described above. Additionally, if organizations do not make their scheduled Strategic Alignment moves, such organizations would pay any incremental costs of deferring such moves.

FY 1998 and 1999 Estimating Method: The above policy was used to allocate FY 1998 costs. For FY 1999 costs were escalated to reflect the rent increase announced by GSA.

Table 6 provides the estimated building occupancy charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 5: DESKTOP

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	23	10	10
Board of Contract Appeals	2	2	2
Bonneville Power Administration	0	0	0
Chief Financial Officer	98	52	52
Civilian Radioactive Waste Mgmt	57	35	35
Cong.,Intergov'l,&Public Affairs	40	10	10
Defense Programs	81	60	60
Economic Impact and Diversity	24	10	10
Energy Efficiency	198	169	169
Energy Information Administration	14	17	17
Energy Research	59	65	65
Environmental Management	347	168	168
Environment, Safety, and Health	70	62	62
Field Management	30	10	10
Fissile Materials Disposition	11	7	7
Fossil Energy	122	110	110
General Counsel	84	25	25
Hearings and Appeals	27	7	7
Human Resources and Administration	543	421	421
Inspector General	59	50	50
Naval Reactors	0	0	0
Nuclear Energy	24	32	32
Nuclear Nonproliferation	269	144	144
Policy	71	32	32
Public Affairs		7	7
Quality Management	8	14	14
Secretary of Energy Advisory Board	3	1	1
Western Area Power Administration	0	0	0
Worker Transition	9	8	8
Total	2,273	1,528	1,528

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 6: BUILDING OCCUPANCY

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	608	666	681
Board of Contract Appeals	88	169	174
Bonneville Power Administration	96	103	106
Chief Financial Officer	1,559	1,494	1,510
Civilian Radioactive Waste Mgmt	1,214	1,373	1,233
Cong.,Intergov'l,&Public Affairs	1,140	538	555
Defense Programs	2,595	2,778	2,735
Economic Impact and Diversity	480	465	476
Energy Efficiency	3,487	3,787	3,757
Energy Information Administration	5,681	5,479	5,714
Energy Research	2,011	1,943	2,000
Environmental Management	4,653	4,745	4,285
Environment, Safety, and Health	2,962	3,154	3,167
Field Management	733	680	706
Fissile Materials Disposition	257	276	281
Fossil Energy	1,975	1,801	1,932
General Counsel	2,131	2,282	2,335
Hearings and Appeals	705	707	717
Human Resources and Administration	13,849	11,797	11,900
Inspector General	1,273	1,196	1,197
Naval Reactors	294	303	309
Nuclear Energy	850	883	890
Nuclear Nonproliferation	5,120	6,103	6,246
Policy	1,772	1,349	1,391
Public Affairs		413	426
Quality Management	417	419	410
Secretary of Energy Advisory Board	132	142	145
Western Area Power Administration	77	110	112
Worker Transition	171	352	363
Total	56,330	55,507	55,755

Supplies

Description: The supply business line provides expendable stock and non-stock office supplies for the Department's Headquarters organizations. In FY 1998, this business operates five self-service stores throughout the Washington, D.C. metropolitan area, with services which include forms management, storage, accountability, and inventory management. With the reduction in the number of Headquarters buildings and personnel and the advent of electronic commerce and other innovations, the Department plans to streamline supply operations.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 policy that each Headquarters element will pay the actual cost of its supplies. Supplies may be purchased at the self-service supply store operated through the Fund or, subject to the laws and regulations government acquisition of Federal office supplies, purchased directly from authorized vendors.

FY 1998 and 1999 Estimating Method: The FY 1998 and 1999 budget estimates are based on actual purchases from the Fund during FY 1997. The FY 1998 estimates include a correction an erroneous double billing of a few customers in September 1997. This correction makes the estimates appear to decline from FY 1997 to FY 1998, and then increase again in FY 1999.

Table 7 provides the estimated supply charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 7: SUPPLIES

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	15	15	15
Board of Contract Appeals	0	0	0
Bonneville Power Administration	5	5	5
Chief Financial Officer	111	95	103
Civilian Radioactive Waste Mgmt	29	29	29
Cong.,Intergov'l,&Public Affairs	47	21	24
Defense Programs	195	159	177
Economic Impact and Diversity	18	14	16
Energy Efficiency	200	162	181
Energy Information Administration	259	233	246
Energy Research	141	121	131
Environmental Management	215	177	196
Environment, Safety, and Health	181	145	163
Field Management	12	12	12
Fissile Materials Disposition	13	13	13
Fossil Energy	94	94	94
General Counsel	99	99	99
Hearings and Appeals	10	10	10
Human Resources and Administration	580	580	580
Inspector General	42	42	42
Naval Reactors	0	0	0
Nuclear Energy	32	32	32
Nuclear Nonproliferation	218	218	218
Policy	63	63	63
Public Affairs		20	20
Quality Management	5	5	5
Secretary of Energy Advisory Board	3	3	3
Western Area Power Administration	0	0	0
Worker Transition	15	15	15
Total	2,602	2,382	2,492

Copying

Description: The copying business line owns and maintains photocopy equipment to support the production of approximately 100 million photocopies annually by Headquarters organizations. Services include operation of Headquarters staffed copy centers, walkup copiers, support for emergency rental of additional copy equipment, provision of replacement copiers, and management for copier equipment maintenance by manufacturers.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 pricing policy that each office pay the full cost to maintain and supply its assigned dedicated copiers. For walkup and staffed copiers, a cost per copy is calculated and programs are charged based on the number of copies made by program staff.

FY 1998 and 1999 Estimating Method: The FY 1998 and FY 1999 budget estimates are based on actual usage during FY 1997.

Table 8 provides the estimated copier charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 8: COPIERS

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	27	45	45
Board of Contract Appeals	1	0	0
Bonneville Power Administration	0	0	0
Chief Financial Officer	71	75	75
Civilian Radioactive Waste Mgmt	40	46	46
Cong.,Intergov'l,&Public Affairs	263	29	29
Defense Programs	113	123	123
Economic Impact and Diversity	24	53	53
Energy Efficiency	166	176	176
Energy Information Administration	176	176	176
Energy Research	85	91	91
Environmental Management	246	246	246
Environment, Safety, and Health	137	142	142
Field Management	19	24	24
Fissile Materials Disposition	20	20	20
Fossil Energy	58	74	74
General Counsel	50	56	56
Hearings and Appeals	16	20	20
Human Resources and Administration	312	331	331
Inspector General	33	38	38
Naval Reactors	0	0	0
Nuclear Energy	48	51	51
Nuclear Nonproliferation	181	190	190
Policy	68	84	84
Public Affairs		239	239
Quality Management	10	10	10
Secretary of Energy Advisory Board	13	12	12
Western Area Power Administration	0	0	0
Worker Transition	17	18	18
Total	2,194	2,369	2,369

Postage

Description: The Postage Business line provides a variety of mail services for all official and other authorized mail for the Department of Energy and its employees. The services provided include the processing of all incoming postal mail, outgoing official mail, internal mail processing, accountable mail processing, pouch mail, a variety of overnight express mail services, directory services, and pick-up and delivery services. The Postage business line also provides payment of Headquarters postage charges to the United States Postal Service.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 policy to divide the postage services into three components:

- (1) Offices will pay the actual dollar meter value for outgoing United States Postal Service mail;
- (2) Offices will pay actual cost for Federal Express or other special mail; and
- (3) Offices will pay for internal mail distribution based on the number of mail stops.

FY 1998 and 1999 Estimating Method: The FY 1998 and 1999 budget estimates reflect program customers' decisions for FY 1998 regarding the number of mail stops, plus a sample of postage metering.

Table 9 provides the estimated postage charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 9: POSTAGE

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	19	19	19
Board of Contract Appeals	2	12	12
Bonneville Power Administration	12	12	12
Chief Financial Officer	79	98	98
Civilian Radioactive Waste Mgmt	20	19	19
Cong.,Intergov'l,&Public Affairs	119	44	44
Defense Programs	43	42	42
Economic Impact and Diversity	43	53	53
Energy Efficiency	219	202	202
Energy Information Administration	187	183	183
Energy Research	124	103	103
Environmental Management	102	120	120
Environment, Safety, and Health	106	93	93
Field Management	17	14	14
Fissile Materials Disposition	25	24	24
Fossil Energy	102	66	66
General Counsel	33	32	32
Hearings and Appeals	45	44	44
Human Resources and Administration	573	552	552
Inspector General	56	55	55
Naval Reactors	0	11	11
Nuclear Energy	42	31	31
Nuclear Nonproliferation	90	139	139
Policy	92	71	71
Public Affairs		35	35
Quality Management	18	18	18
Secretary of Energy Advisory Board	15	15	15
Western Area Power Administration	14	0	0
Worker Transition	23	23	23
Total	2,220	2,130	2,130

Printing and Graphics

Description: The printing and graphics business line provides procurement and liaison with commercial printers through the Government Printing Office. It also provides design and development of pre-press graphics, electronic forms and exhibits, and court reporting services. Contractor staff distribute in-house-produced materials as well as materials produced by other government agencies. This business line also provides professional photography, lab technicians, portrait studio operations, and graphics visual aids and presentation materials. Centralized visual archives are provided by through a staffed repository of general interest photos.

FY 1998 Board Pricing Policy: The Board continued its FY 1997 pricing policy that organizations will pay for direct printing costs as well as Federal Register costs. Additionally for graphics services, programs will pay maintenance and depreciation costs as a percentage allocation of costs incurred in the previous fiscal year.

FY 1998 and 1999 Estimating Method: The FY 1998 and 1999 budget estimates are based on the FY 1998 Board pricing policy as applied to actual usage patterns in FY 1997.

Table 10 provides the estimated printing and graphics charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 10: PRINTING AND GRAPHICS

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	36	38	38
Board of Contract Appeals	0	0	0
Bonneville Power Administration	7	11	11
Chief Financial Officer	64	67	67
Civilian Radioactive Waste Mgmt	112	150	150
Cong.,Intergov'l,&Public Affairs	119	5	5
Defense Programs	44	56	56
Economic Impact and Diversity	22	30	30
Energy Efficiency	300	411	411
Energy Information Administration	723	721	721
Energy Research	160	208	208
Environmental Management	249	274	274
Environment, Safety, and Health	425	450	450
Field Management	11	27	27
Fissile Materials Disposition	72	93	93
Fossil Energy	183	187	187
General Counsel	74	77	77
Hearings and Appeals	92	114	114
Human Resources and Administration	910	704	704
Inspector General	42	49	49
Naval Reactors	0	0	0
Nuclear Energy	9	20	20
Nuclear Nonproliferation	75	87	87
Policy	82	98	98
Public Affairs		140	140
Quality Management	73	55	55
Secretary of Energy Advisory Board	12	15	15
Western Area Power Administration	13	16	16
Worker Transition	8	12	12
Total	3,917	4,115	4,115

PROCUREMENT BUSINESS LINES

Contract Closeouts

Description: The contract closeout business line is the final stage in contract administration support for DOE Headquarters elements. Services include ensuring that all contracted products and services have been delivered and that costs incurred by the contractor are allowable and justified. Then, any remaining unexpended funds obligated under the contract are released.

FY 1998 Board Pricing Policy: The Board adopted a policy that each Headquarters element pay for actual closeout cost, determined by the unit price of each contract instrument type and negotiated level of service.

FY 1998 and 1999 Estimating Method: Estimated contract closeout costs are based upon FY 1997 workload levels priced out, per contract instrument type and negotiated service level.

Table 11 provides the estimated contract audit charges for each organization in Headquarters.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 11: CONTRACT CLOSEOUT

	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	0	0	0
Board of Contract Appeals	0	0	0
Bonneville Power Administration	0	0	0
Chief Financial Officer	0	14	14
Civilian Radioactive Waste Mgmt	1	14	14
Cong.,Intergov'l,&Public Affairs	14	1	1
Defense Programs	40	14	14
Economic Impact and Diversity	1	4	4
Energy Efficiency	51	45	45
Energy Information Administration	12	48	48
Energy Research	0	28	28
Environmental Management	39	11	11
Environment, Safety, and Health	21	99	99
Field Management	0	17	17
Fissile Materials Disposition	0	0	0
Fossil Energy	38	50	50
General Counsel	55	16	16
Hearings and Appeals	0	1	1
Human Resources and Administration	99	142	142
Inspector General	3	5	5
Naval Reactors	0	0	0
Nuclear Energy	30	18	18
Nuclear Nonproliferation	6	8	8
Policy	11	19	19
Public Affairs		0	0
Quality Management	0	0	0
Secretary of Energy Advisory Board	0	0	0
Western Area Power Administration	0	0	0
Worker Transition	0	3	3
Total	421	556	556

PAYROLL PROCESSING AND PERSONNEL COSTS

Description: This business line provides the Department with payroll processing and pays certain Office of Personnel Management charges levied as a per employee fee on Federal agencies for using automated vacancy announcement capabilities. Until mid FY 1997 the Department had been planning to "outsource" these services to the Department of the Interior during mid FY 1998, but cost considerations have caused the Department to consider new options for these services in FY 1998 and beyond.

FY 1998 Pricing Policy: The Board has chosen to maintain its current pricing policy, even though final decisions have not yet been made regarding payroll operations and system design. Under this policy each organization is charged an annual unit fee based on the number of employee records in the payroll system at the beginning of the fiscal year; this cost will be adjusted for actual staffing levels toward the end of the fiscal year.

FY 1998 and 1999 Estimating Method: The FY 1998 and 1999 budget estimates are based upon a unit fee charged for the number of employee records in the payroll system at the beginning of the fiscal year plus a fixed fee per capita fee assessed by OPM; this cost will be adjusted for actual staffing levels toward the end of the fiscal year.

Table 12 provides the estimated distribution of costs by program customer.

Working Capital Fund Budget by Organization and Function
(dollars in thousands)

TABLE 12: PAYROLL AND PERSONNEL	FY 1997	FY1998	FY 1999
	Actual Bills	Estimate	Budget
Office of the Secretary	NA	3	3
Board of Contract Appeals	NA	1	1
Bonneville Power Administration	NA	6	0
Chief Financial Officer	NA	28	30
Civilian Radioactive Waste Mgmt	NA	29	28
Cong.,Intergov'l,&Public Affairs	NA	5	6
Defense Programs	NA	265	280
Economic Impact and Diversity	NA	6	6
Energy Efficiency	NA	75	77
Energy Information Administration	NA	56	52
Energy Research	NA	69	66
Environmental Management	NA	402	428
Environment, Safety, and Health	NA	53	52
Field Management	NA	133	148
Fissile Materials Disposition	NA	3	4
Fossil Energy	NA	129	127
General Counsel	NA	24	24
Hearings and Appeals	NA	7	6
Human Resources and Administration	NA	84	95
Inspector General	NA	37	39
Naval Reactors	NA	27	31
Nuclear Energy	NA	26	24
Nuclear Nonproliferation	NA	57	57
Other PMAs and FERC	NA	213	241
Policy	NA	16	18
Public Affairs		4	5
Quality Management	NA	1	1
Secretary of Energy Advisory Board	NA	1	1
Western Area Power Administration	NA	175	200
Worker Transition	NA	4	4
Total	NA	1,939	2,054

Working Capital Fund Budget by Customer
(dollars in thousands)
Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 1: Office of the Secretary	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	76	77	77
Networking	58	81	81
Desktop	23	10	10
Building Occupancy	608	666	681
Supplies	15	15	15
Copiers	27	45	45
Postage	19	19	19
Printing and Graphics	36	38	38
Contract Closeout	0	0	0
Payroll and Personnel	NA	3	3
Total Working Capital Fund Estimate	862	954	970

TABLE 2: Board of Contract Appeals	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	4	4	4
Networking	0	0	0
Desktop	2	2	2
Building Occupancy	88	169	174
Supplies	0	0	0
Copiers	1	0	0
Postage	2	12	12
Printing and Graphics	0	0	0
Contract Closeout	0	0	0
Payroll and Personnel	NA	1	1
Total Working Capital Fund Estimate	97	188	193

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 3: Bonneville Power Administration	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	12	11	11
Networking	0	0	0
Desktop	0	0	0
Building Occupancy	96	103	106
Supplies	5	5	5
Copiers	0	0	0
Postage	12	12	12
Printing and Graphics	7	11	11
Contract Closeout	0	0	0
Payroll and Personnel	NA	6	0
Total Working Capital Fund Estimate	132	148	145

TABLE 4: Chief Financial Officer	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	209	215	215
Networking	143	153	153
Desktop	98	52	52
Building Occupancy	1,559	1,494	1,510
Supplies	111	95	103
Copiers	71	75	75
Postage	79	98	98
Printing and Graphics	64	67	67
Contract Closeout	0	14	14
Payroll and Personnel	NA	28	30
Total Working Capital Fund Estimate	2,334	2,291	2,317

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 5: Civilian Radioactive Waste Management

	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	143	142	142
Networking	83	120	120
Desktop	57	35	35
Building Occupancy	1,214	1,373	1,233
Supplies	29	29	29
Copiers	40	46	46
Postage	20	19	19
Printing and Graphics	112	150	150
Contract Closeout	1	14	14
Payroll and Personnel	NA	29	28
Total Working Capital Fund Estimate	1,699	1,957	1,816

TABLE 6: Cong.,Intergov'l,&Public Affairs

	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	110	64	64
Networking	47	24	24
Desktop	40	10	10
Building Occupancy	1,140	538	555
Supplies	47	21	24
Copiers	263	29	29
Postage	119	44	44
Printing and Graphics	119	5	5
Contract Closeout	14	1	1
Payroll and Personnel	NA	5	6
Total Working Capital Fund Estimate	1,899	741	761

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 7: Defense Programs	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	515	518	518
Networking	357	347	347
Desktop	81	60	60
Building Occupancy	2,595	2,778	2,735
Supplies	195	159	177
Copiers	113	123	123
Postage	43	42	42
Printing and Graphics	44	56	56
Contract Closeout	40	14	14
Payroll and Personnel	NA	265	280
Total Working Capital Fund Estimate	3,983	4,362	4,353

TABLE 8: Economic Impact and Diversity	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	55	54	54
Networking	32	32	32
Desktop	24	10	10
Building Occupancy	480	465	476
Supplies	18	14	16
Copiers	24	53	53
Postage	43	53	53
Printing and Graphics	22	30	30
Contract Closeout	1	4	4
Payroll and Personnel	NA	6	6
Total Working Capital Fund Estimate	699	721	735

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 9: Energy Efficiency	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	372	364	364
Networking	185	168	168
Desktop	198	169	169
Building Occupancy	3,487	3,787	3,757
Supplies	200	162	181
Copiers	166	176	176
Postage	219	202	202
Printing and Graphics	300	411	411
Contract Closeout	51	45	45
Payroll and Personnel	NA	75	77
Total Working Capital Fund Estimate	5,178	5,559	5,550

TABLE 10: Energy Information Administration	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	536	520	520
Networking	1	1	1
Desktop	14	17	17
Building Occupancy	5,681	5,479	5,714
Supplies	259	233	246
Copiers	176	176	176
Postage	187	183	183
Printing and Graphics	723	721	721
Contract Closeout	12	48	48
Payroll and Personnel	NA	56	52
Total Working Capital Fund Estimate	7,589	7,434	7,678

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 11: Energy Research	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	320	316	316
Networking	251	235	235
Desktop	59	65	65
Building Occupancy	2,011	1,943	2,000
Supplies	141	121	131
Copiers	85	91	91
Postage	124	103	103
Printing and Graphics	160	208	208
Contract Closeout	0	28	28
Payroll and Personnel	NA	69	66
Total Working Capital Fund Estimate	3,151	3,179	3,243

TABLE 12: Environmental Management	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	778	752	752
Networking	367	359	359
Desktop	347	168	168
Building Occupancy	4,653	4,745	4,285
Supplies	215	177	196
Copiers	246	246	246
Postage	102	120	120
Printing and Graphics	249	274	274
Contract Closeout	39	11	11
Payroll and Personnel	NA	402	428
Total Working Capital Fund Estimate	6,996	7,254	6,838

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 13: Environment, Safety, and Health	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	412	424	424
Networking	252	248	248
Desktop	70	62	62
Building Occupancy	2,962	3,154	3,167
Supplies	181	145	163
Copiers	137	142	142
Postage	106	93	93
Printing and Graphics	425	450	450
Contract Closeout	21	99	99
Payroll and Personnel	NA	53	52
Total Working Capital Fund Estimate	4,566	4,870	4,900

TABLE 14: Field Management	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	58	57	57
Networking	43	41	41
Desktop	30	10	10
Building Occupancy	733	680	706
Supplies	12	12	12
Copiers	19	24	24
Postage	17	14	14
Printing and Graphics	11	27	27
Contract Closeout	0	17	17
Payroll and Personnel	NA	133	148
Total Working Capital Fund Estimate	923	1,015	1,056

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 15: Fissile Materials Disposition	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	22	22	22
Networking	19	18	18
Desktop	11	7	7
Building Occupancy	257	276	281
Supplies	13	13	13
Copiers	20	20	20
Postage	25	24	24
Printing and Graphics	72	93	93
Contract Closeout	0	0	0
Payroll and Personnel	NA	3	4
Total Working Capital Fund Estimate	439	476	482

TABLE 16: Fossil Energy	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	237	246	246
Networking	97	98	98
Desktop	122	110	110
Building Occupancy	1,975	1,801	1,932
Supplies	94	94	94
Copiers	58	74	74
Postage	102	66	66
Printing and Graphics	183	187	187
Contract Closeout	38	50	50
Payroll and Personnel	NA	129	127
Total Working Capital Fund Estimate	2,906	2,855	2,985

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 17: General Counsel	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	214	212	212
Networking	120	135	135
Desktop	84	25	25
Building Occupancy	2,131	2,282	2,335
Supplies	99	99	99
Copiers	50	56	56
Postage	33	32	32
Printing and Graphics	74	77	77
Contract Closeout	55	16	16
Payroll and Personnel	NA	24	24
Total Working Capital Fund Estimate	2,860	2,958	3,011

TABLE 18: Hearings and Appeals	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	43	40	40
Networking	24	23	23
Desktop	27	7	7
Building Occupancy	705	707	717
Supplies	10	10	10
Copiers	16	20	20
Postage	45	44	44
Printing and Graphics	92	114	114
Contract Closeout	0	1	1
Payroll and Personnel	NA	7	6
Total Working Capital Fund Estimate	962	973	981

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 19: Human Resources and Administration

	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	1,234	1,195	1,195
Networking	622	619	619
Desktop	543	421	421
Building Occupancy	13,849	11,797	11,900
Supplies	580	580	580
Copiers	312	331	331
Postage	573	552	552
Printing and Graphics	910	704	704
Contract Closeout	99	142	142
Payroll and Personnel	NA	84	95
Total Working Capital Fund Estimate	18,722	16,425	16,538

TABLE 20: Inspector General

	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	163	155	155
Networking	84	78	78
Desktop	59	50	50
Building Occupancy	1,273	1,196	1,197
Supplies	42	42	42
Copiers	33	38	38
Postage	56	55	55
Printing and Graphics	42	49	49
Contract Closeout	3	5	5
Payroll and Personnel	NA	37	39
Total Working Capital Fund Estimate	1,755	1,705	1,708

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 21: Naval Reactors	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	0	74	74
Networking	0	0	0
Desktop	0	0	0
Building Occupancy	294	303	309
Supplies	0	0	0
Copiers	0	0	0
Postage	0	11	11
Printing and Graphics	0	0	0
Contract Closeout	0	0	0
Payroll and Personnel	NA	27	31
Total Working Capital Fund Estimate	294	415	425

TABLE 22: Nuclear Energy	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	314	237	237
Networking	68	82	82
Desktop	24	32	32
Building Occupancy	850	883	890
Supplies	32	32	32
Copiers	48	51	51
Postage	42	31	31
Printing and Graphics	9	20	20
Contract Closeout	30	18	18
Payroll and Personnel	NA	26	24
Total Working Capital Fund Estimate	1,417	1,412	1,417

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 23: Nuclear Nonproliferation	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	707	710	710
Networking	85	66	66
Desktop	269	144	144
Building Occupancy	5,120	6,103	6,246
Supplies	218	218	218
Copiers	181	190	190
Postage	90	139	139
Printing and Graphics	75	87	87
Contract Closeout	6	8	8
Payroll and Personnel	NA	57	57
Total Working Capital Fund Estimate	6,751	7,722	7,865

TABLE 24: Policy	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	189	173	173
Networking	95	81	81
Desktop	71	32	32
Building Occupancy	1,772	1,349	1,391
Supplies	63	63	63
Copiers	68	84	84
Postage	92	71	71
Printing and Graphics	82	98	98
Contract Closeout	11	19	19
Payroll and Personnel	NA	16	18
Total Working Capital Fund Estimate	2,443	1,986	2,030

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 25: Public Affairs	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones		51	51
Networking		18	18
Desktop		7	7
Building Occupancy		413	426
Supplies		20	20
Copiers		239	239
Postage		35	35
Printing and Graphics		140	140
Contract Closeout			
Payroll and Personnel		4	5
Total Working Capital Fund Estimate		927	940

TABLE 26: Quality Management	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	13	11	11
Networking	9	5	5
Desktop	8	14	14
Building Occupancy	417	419	410
Supplies	5	5	5
Copiers	10	10	10
Postage	18	18	18
Printing and Graphics	73	55	55
Contract Closeout	0	0	0
Payroll and Personnel	NA	1	1
Total Working Capital Fund Estimate	553	538	530

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 27: Secretary of Energy Advisory Board

	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	8	8	8
Networking	8	6	6
Desktop	3	1	1
Building Occupancy	132	142	145
Supplies	3	3	3
Copiers	13	12	12
Postage	15	15	15
Printing and Graphics	12	15	15
Contract Closeout	0	0	0
Payroll and Personnel	NA	1	1
Total Working Capital Fund Estimate	194	203	206

TABLE 28: Western Area Power Administration

	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	5	9	9
Networking	0	0	0
Desktop	0	0	0
Building Occupancy	77	110	112
Supplies	0	0	0
Copiers	0	0	0
Postage	14	0	0
Printing and Graphics	13	16	16
Contract Closeout	0	0	0
Payroll and Personnel	NA	175	200
Total Working Capital Fund Estimate	109	310	338

Working Capital Fund Budget by Customer
(dollars in thousands)

TABLE 29: Worker Transition	FY 1997 Actual	FY1998 Estimate	FY 1999 Budget
Telephones	22	24	24
Networking	14	17	17
Desktop	9	8	8
Building Occupancy	171	352	363
Supplies	15	15	15
Copiers	17	18	18
Postage	23	23	23
Printing and Graphics	8	12	12
Contract Closeout	0	3	3
Payroll and Personnel	NA	4	4
Total Working Capital Fund Estimate	279	476	487

TABEL 30: Other PMAs and FERC			
Payroll and Personnel	NA	213	241
Total Working Capital Fund Estimate	NA	213	241